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# ***JPRS Report—***

# **Soviet Union**

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***PROBLEMS OF THE FAR EAST***

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## SOVIET UNION PROBLEMS OF THE FAR EAST

No 1, January-February 1987

[Except where indicated otherwise in the table of contents the following is a complete translation of the Russian-language bimonthly journal PROBLEMY DALNEGO VOSTOKA published in Moscow by the Far East Institute of the USSR Academy of Sciences.]

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## LENINIST PEACE STRATEGY IN ACTION

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The concept of an all-embracing system of international security, as well as the concrete programme for forming the mainstays of such a system in all spheres of international relations, set forth by the 27th CPSU Congress and supported by countries of the socialist community, have attracted keen attention of the entire world public. The need has never been more urgent for states to work out a manner of political thinking and a course of action that correspond with the realities of our times confronting mankind with the choice between survival and self-destruction.

The socialist countries' concept of a system of international security takes into account the ideas of security contained in the reports of the Palme Commission, consisting of a group of prominent public personalities and scientists, in the documents of the nonaligned movement, in the appeals of six states of four continents in support of stopping nuclear tests and freezing nuclear arsenals, in resolutions of the United Nations General Assembly and in the decisions of other international meetings and forums. Historic credit for the concept of creating an all-embracing system of international security belongs to the CPSU. In fact, this concept is a continuation of the Soviet state's Leninist tradition of presenting to public opinion and the governments of the whole world major proposals of a fundamental nature, offering a real alternative to the course of aggressive imperialist circles so baleful to mankind.

The concept of peaceful coexistence, which has been upheld by the Soviet Union throughout its history, is now receiving new stimulus, acquiring ever more concrete forms in the context of the present stage of international development and with an eye to the foreseeable future. By proceeding from the mainstays of the all-embracing system of international security formulated in the Political Report of the CPSU Central Committee to the 27th Party Congress, it is possible to turn peaceful coexistence into the supreme universal principle of international relations.

The new concept of security, the new political philosophy are not just achievements of theoretical thought. They are inseparably linked with political practice and entirely oriented towards concrete actions. In other words, what we are dealing with is not "pure theory". On the contrary, the whole point lies in the fact that such new political thinking can become a guideline for the adoption of concrete decisions, for overcoming the problems that have accumulated in international relations, for finding ways out of the impasses created in international relations by imperialism's aggressive circles. In the final count, the aim is to radically restructure the behaviour of states in connection with the need to ensure a safe, reliable and just peace.

Realistic consideration for the time factor is an integral component of the new security concept. The development of weapons capable of wiping all life off the face of the earth, the accelerated pace of the arms race which now threatens to spill over into outer space, the absence in these conditions of solutions to many global problems that are also fraught with catastrophic consequences for mankind—all this shows that civilisation is ever more rapidly approaching a very dangerous line.

New thinking implies an understanding of the meagreness of time given us by history to find political accords and of the complete urgency of transition to constructive, tangible actions to rectify the existing situation. Today, mentality and action must be sufficiently adequate to meet the scope of challenges which face mankind and be oriented towards finding optimum solutions to arising problems.

Today's world is diverse, complex and contradictory. A profound Marxist analysis of these diversities and contradictions, a thorough, balanced appraisal of the alignment of forces in the world arena and the main components determining this alignment, as well as an evaluation of the main trends of development have always been and remain imperative conditions of a socialist state's successful foreign policy. It was stressed by the 27th Party Congress that "if we want to follow a correct, science-based policy, we must clearly understand the key tendencies of the current reality". The contradictions of the present-day world were comprehensively examined at the Congress and a concept was put forward regarding the interconnection, interdependence and interaction of all elements of the system of international relations determining the whole nature of the complex and, in many ways, contradictory world of today. Here special mention should be made of the fact that our Party was able to formulate this important thesis precisely because of its creative, Leninist approach to studying the present state of the international situation and international politics. The solution of the world's current problems requires a new mentality, an innovative approach, awareness of the fact that the arms race and the development of military technology have already approached the critical line, beyond which these processes are likely to escape control.

Confidently adhering to the Leninist course, the Party is paying serious attention to the solution of international issues on which not only the future of world development but the very survival of mankind depend. In an address on April 8, 1986 in Togliatti, Mikhail Gorbachev stressed that "our behaviour, our course are dictated not only by our principles and morals, but also by our understanding that any other approach is unrealistic". This highlights the importance of conscious and purposeful activity in the international arena.

In this connection, it is important to note that the acuteness of the present moment in the development of international relations is determined not only by objective processes. The subjective factor is also very important in politics. By its very nature, imperialism resists the changes occurring in the world. This is all the more true of politicians that have come to power in the United States, as well as their main allies in NATO, who in the late 1970s and the early 1980s reverted from detente to power politics. They have adopted doctrines that reject goodneighbourliness and cooperation as principles of world development, as the political philosophy of international relations. In the opinion of many representatives of the world public, including Americans, nuclear superiority is of paramount importance to Ronald Reagan. He contends that he is only looking out for American security, but in reality he equates the necessary level of security with superiority. Not surprisingly, for a long time already the Washington administration is deaf to Soviet appeals to stop the arms race and improve the international situation.

There is no reason to believe that the readjustment of political thinking and behaviour on a global scale will come by itself. One has to work for this, persistently and with dedication. The concept of creating an all-

embracing system of international security also gives a profoundly scientific and realistic answer to the question of whether the ruling circles in Western countries are capable of facing realities and turning to sober and constructive assessments of what is happening. History itself, it is stressed in the Political Report of the CPSU Central Committee to the 27th Party Congress, denies us the right to take "no" for an answer. The social process, the development of civilisation must and will continue. In the final analysis, the need to solve the burning issues facing humanity must prompt responsible politicians in the West to realise that confrontation and preparation for an armed clash must be removed forever from the life of Man.

Decisions of the same magnitude as present-day realities can and must be found. Nothing is more important today than the struggle for peace. The time has come for resolute and responsible action, for the utmost mobilisation of reason and common sense. During the period of the cold war, Winston Churchill uttered a statement which received wide currency in the West—to talk and talk is better than to fight and fight. One cannot but agree with this. Even more so because of the fact that to fight in the nuclear age is simply inconceivable, since enough arms of mass annihilation have been stockpiled to kill all life on Earth several times over. Today there is no reasonable alternative to detente, cooperation, negotiations and an end to the arms race.

An expression of the new thinking were the new compromise Soviet proposals presented during the Gorbachev-Reagan summit meeting in Reykjavik on October 11-12. They offered the possibility of an accord on such questions as the reduction and subsequent elimination of strategic offensive arms and the destruction of medium-range missiles in Europe. As is noted in a decision of the Political Bureau of the CPSU Central Committee, the fulfilment of these proposals would have opened the possibility for a breakthrough in the development of international relations, in eliminating the nuclear threat and developing the peaceful cooperation of all members of the world community of nations.

However, owing to the stand taken by the US President, obsessed, as he is, with the idea of developing "defensive" space arms, the accords on these issues actually reached in Reykjavik could not be converted into binding agreements for the sides. Yet the meeting in Reykjavik became an important event in international life. The frank exchange of views enabled both sides to gain a deeper understanding of the major problems of world politics, bilateral relations, questions of war and peace, and ending the nuclear arms race. The meeting represented a new stage in the difficult and complex Soviet-American dialogue. It has laid the groundwork for a possible step forward towards a real change for the better, if the United States shifts at long last to realistic positions and discards its chimerical concepts.

At the Soviet-American summit in Reykjavik the Soviet Union made radical proposals aimed at reaching accords on lowering the level of strategic arms and on medium-range missiles, on preserving the ABM Treaty and banning nuclear tests. These proposals encountered the intransigence of the United States, its desire to attain military superiority by militarising outer space.

The results of this summit meeting show that the USSR had come to the talks with concrete proposals and demonstrated willingness to reach a reasonable compromise. At the same time, the American side had not brought with it anything that was new or positive and failed to display a genuine striving for compromise. The Soviet delegation had to conduct a complex political and diplomatic struggle against the American side's overt attempt to achieve unilateral advantages and to secure military superiority for itself.

At the meeting the USSR displayed maximum political will to achieve agreement and it is not its fault that the outcome of the meeting failed to meet the expectations of the world's peaceloving public.

But the rigid stance on the so-called Strategic Defense Initiative (SDI), also known as the Star Wars programme, blocked the attainment of an agreement on the reduction of nuclear arms, to which the sides at the meeting had come so close. This was stated by Reagan himself when addressing the nation over US television on the results of the Reykjavik meeting.

To serve the interests of the American military the White House jeopardizes the vital interests of the whole of humanity, including the American people, and this position is sharply criticised by realistically-minded circles in the United States. Senator Edward Kennedy, for instance, said that the meeting in Iceland might open up tremendous historic opportunities but that they were sacrificed at the altar of Star Wars.

In Reykjavik President Reagan had the choice of arms control or the Star Wars programme. He opted for Star Wars and took a wrong stand. This was the opinion stated by Paul Warnke, former head of the American delegation to the SALT-2 talks and former Director of the Arms Control and Disarmament Agency. This prominent American expert further stressed that it would be unrealistic to expect the Soviet Union to reduce its strategic arms while the United States continued to create a system of strategic defence. Speaking in an NBC interview, Senator Gary Hart said that the President had missed an exceptional opportunity to conclude a dramatic agreement on arms control and as a result had driven the United States into a corner for the sake of his totally unrealistic and extremely costly programme which at best might prove its effectiveness only by the end of this century. It is hardly possible to disagree with this. Professor Steven Cohen of Princeton University rightly said that the conclusion of an agreement requires the desire of both sides and that in Reykjavik such a desire was demonstrated only by Mikhail Gorbachev.

Appearing on a CNN news programme, former US Secretary of Defense Schlesinger pretty well summed up all of the above statements by saying that he had to admit that the United States had let slip a unique opportunity, that appears only once every quarter of a century, to reduce offensive strategic arms. He went on to say that it was immensely regrettable that the United States had had a Soviet proposal on a radical reduction of its offensive forces along with a reduction of medium-range missiles and the American side had found itself incapable of reaching agreement with it.

The Gorbachev-Reagan meeting in Reykjavik showed that the White House refuses under any circumstances to give up the idea of militarising outer space. The aim of the Strategic Defense Initiative is to achieve military superiority and safeguard fantastic profits of military corporations. For the sake of the speediest fulfilment of these plans, the American side rejected the Soviet proposal to agree not to withdraw from the ABM Treaty for a period of ten years and actually stated its intention to bury that agreement—the last key barrier preventing an unbridled arms race. In analysing the threats posed by the realisation of the Star Wars programme, Mikhail Gorbachev stated at a press conference: "The first danger is a political one. A situation is immediately created which introduces uncertainty and whips up mutual mistrust and suspicions. And nuclear arms reduction then loses all priority... Secondly, there exists nevertheless a military aspect as well. By way of the SDI it is possible to develop new types of weapons... and achieve an absolutely new stage of the arms race with very serious consequences."

An analysis of the actual situation leaves no doubt about the correct-

ness of the conclusion that in our time genuine security is guaranteed not by the highest possible level of strategic balance but by the lowest possible level, a balance totally expunged of nuclear and other types of weapons of mass annihilation. Such categories as military superiority, hope of victory in a nuclear war, global hegemony have become fancies of mortal danger to the whole of mankind. They should be replaced by the understanding that curbing the arms race is equal, in effect, to survival.

Mankind is being faced with an awesome challenge: its very existence is at stake. Such is the grim reality of our time and no one can afford to ignore it. Two recent tragedies directly connected with the technology of the nuclear and space age—the explosion of the Challenger and the accident at the Chernobyl nuclear power plant—gave us an object-lesson of what would happen if nuclear arms are put to use. An explosion of even a small portion of the stockpiled nuclear potential will be an irreparable catastrophe. Yet the spiraling of the arms race continues with increasing speed. To the mountains of weapons which already exist are being added newer and more sophisticated means of destruction. The arms race already feels cramped on earth and there exists the danger of it spreading to outer space. And this will accelerate the already critically high pace of the accumulation and perfection of nuclear arms.

In these conditions, Mikhail Gorbachev stressed in a televised statement on August 18, 1986, "it is not enough to preserve the existing treaties. Major practical steps capable of reining in militarism and turning the development of events for the better are needed. The 'equilibrium of fear' ceases to be a factor of deterrence. And not just for the reason that fear as such is no adviser to reason and can prompt actions of unpredictable consequences. This fear is a direct participant in the arms race: by intensifying mistrust and suspicions it creates a vicious circle of mounting tension".

To break out of the existing vicious circle, the Soviet leadership holds it is necessary to discard once and for all the notions of war as a means of attaining political aims, and to realise that today it is simply suicidal to build interstate relations on the illusion of reaching military superiority. The new political thinking in line with the realities of the nuclear-space age demands a new approach to problems of ensuring one's own and universal security. The nature of modern weapons leaves no country any hope of defending itself by military-technical means alone. Ensuring the security of states increasingly appears as a task that can be solved only by political means. And it is imperative for all to feel that they have equal security.

Proceeding from this understanding of the problems of peace and security in present-day conditions, the USSR has set forth a large-scale programme of eliminating nuclear and chemical arsenals by the end of this century. This was subsequently backed up by concrete proposals made at the Geneva talks. Together with its Warsaw Treaty allies the Soviet Union proposed to the West a set of measures to reduce conventional armaments and armed forces in Europe—from the Atlantic to the Urals. More than that, in its desire to break of the existing deadlock of the problem of nuclear disarmament, the Soviet Union, on the eve of the 40th anniversary of the atomic bombing of Hiroshima, announced a unilateral moratorium on all types of nuclear explosions. Broad sections of the world public interpreted this decision as a measure opening up a real possibility putting an end to the nuclear arms race. For without tests, there will be an automatic end to the improvement of nuclear arms and the creation of new systems of these weapons.

It has now become quite obvious that world imperialism cannot and has no desire to reconcile itself to the fundamental changes that

have taken place in the world in the postwar decades. But the world has changed. Imperialism's dominance in the international arena has been fully and finally liquidated. The existence and successful development of world socialism has substantially changed the alignment of class and political forces in the world, given a new impulse to the advance of the whole of mankind and accelerated the pace of this advance.

"The progress of our time is rightly identified with socialism," Mikhail Gorbachev said in the Political Report of the CPSU Central Committee to the Party's 27th Congress. "World socialism is a powerful international entity with a highly developed economy, substantial scientific resources, and a reliable military and political potential. It accounts for more than one-third of the world's population; includes dozens of countries and peoples advancing along a path that reveals in every way the intellectual and moral wealth of man and society. A new way of life has taken shape, based on the principles of socialist justice, in which there are neither oppressors nor the oppressed, neither exploiters, nor the exploited, in which power belongs to the people. Its distinctive features are collectivism and comradely mutual assistance, triumph of the ideas of freedom, unbreakable unity between the rights and duties of every member of society, the dignity of the individual, and true humanism. Socialism is a realistic option open to all humanity, an example projected into the future."

The destinies of peace and progress, the destinies of mankind are now closely intertwined with world socialism. Socialism has become a mighty force standing in the way of imperialist reaction. It opposes it not only with its peaceful Leninist policy but also with a real military-political might that cannot be ignored by the instigators of nuclear war. The military strategic parity between the USSR and the USA, between the Warsaw Treaty and NATO is a reliable guarantee for deterring all sorts of exponents of nuclear conflict. Today the actual alignment of forces in the world arena is by no means determined by shrill statements in support of "power politics". The blatant and adventuristic aggressive actions taken by American imperialism against sovereign states not only do nothing to boost the international prestige of the US ruling circles, but increasingly undermine the moral and political mainstays of this leading capitalist power—the main source of the war danger.

The emphasis on force has always been an inherent feature of the foreign policy of imperialist powers. Today this has reached a degree of absolute dominance over the entire foreign policy course of the United States and its allies in aggressive blocs. A thoroughly substantiated conclusion was made in the Political Report of the Central Committee to the 27th CPSU Congress: "To keep in the saddle of history, imperialism is resorting to all possible means. But such a policy is costing the world dearly. The nations are compelled to pay an ever higher price for it."

**T**he foreign policy strategy of the CPSU and the Soviet state has always been formulated and carried out with due account of such an important factor as imperialism's aggressive nature and the permanent passage of its foreign policy through phases of intensified aggressive trends.

The CPSU, the Soviet state, other countries of world socialism, the international communist, workers' and national liberation movements, the entire progressive, peaceloving forces of the world have accumulated a wealth of valuable experience of vigorous and effective struggle against imperialism and its aggressive policy fraught with the nuclear mis-

sile cataclysm. This experience is very useful in the present situation, it enriches the forms of struggle, fills it with new content and makes it more effective.

The 27th CPSU Congress defined the prevention of war and the saving of mankind from catastrophe as the most important present day task of socialism, of all progressive and peaceloving forces of our planet. All the foreign policy initiatives of the CPSU and the Soviet State, their practical politics are subordinated to the attainment of this crucial aim.

As they struggle to avert a nuclear-missile war, the CPSU and the Soviet government at the same time reveal before all the peoples the adventurous essence of the policy of the USA and NATO, and from clear-cut class positions evaluate both the overall world situation and the situation in every country and every region of the world.

Strictly adhering to Lenin's teaching on the need for a class approach to analysing the sources of the danger of war and to exposing imperialism, the Soviet Union and the other socialist countries have done everything possible to preserve peace on earth. It is noteworthy that it was the world's first country of victorious socialism, born under the slogan "Peace to the Peoples!", that at the very beginning of 1986, the International Year of Peace, proposed a detailed programme for fully eliminating nuclear and other types of weapons of mass destruction by the year 2000 and preventing the militarisation of outer space.

**P**resented by the General Secretary of the CPSU Central Committee Mikhail Gorbachev in his speech in Vladivostok, the new large-scale and constructive Soviet proposals to ensure peace and security in Asia and the Pacific area, and to limit and reduce armaments, first of all nuclear ones, are of immediate importance on a global scale and of special significance for the huge Asian-Pacific region.

Asia enriched world progress by the diversity of its experience of struggle for freedom, peace and independence. This experience constitutes one of the principal mainstays of the political reality in the Asian-Pacific region. More than 30 years have passed since the two great Asian powers, China and India, proclaimed Pancha Shila—the five principles of peaceful coexistence—which have become part and parcel of the practice of solving disputes arising between different states. In accordance with these principles, countries with different social systems can not only coexist but also vigorously cooperate in matters of safeguarding peace and international security. These principles were subsequently supplemented and developed in 1955 at the well-known conference in Bandung, making an important contribution to the strengthening of peace and security in the Asian-Pacific region.

A quarter of a century ago the concept of nonalignment originated in Asia and a movement vigorously supporting the overcoming of the world's division into military blocs appeared in the international arena. India, the acknowledged leader of this movement of nonalignment, has made a vast contribution to the cause of asserting standards of equal coexistence and justice in the international community. And it is logical that now the capital of that country has given birth and its name to the "Delhi Six", a permanent forum of the leaders of six countries from four continents—Argentina, Greece, India, Mexico, Tanzania and Sweden. The nonaligned summit held in Harare, capital of Zimbabwe, made large contribution to the movement for peace, disarmament and security.

The idea of setting up nuclear-free zones is finding its practical application in the Asian-Pacific region. Two nuclear states situated there

the USSR and the PRC—have pledged not to be the first to use nuclear arms. Being both a European and an Asian-Pacific state, the USSR has a vital stake in the preservation and consolidation of peace in the Asian-Pacific region. In pursuance of these aims, the Soviet Union is making a weighty contribution to the formation of the concept of security and its implementation in political life. The USSR's call to search jointly for ways of strengthening security in the region has been received with widespread response in the world, especially in countries of Asia. The numerous responses to it are evidence that a whole number of governments in that region are interested in exchanging views and in jointly searching for constructive solutions in that direction.

The new Soviet initiatives related to the Asian-Pacific region are an important part of the concept of an all-embracing system of international security already set forth by the USSR. A number of vitally important problems must be solved to achieve a peaceful interaction of states, to attain a military and, by the same token, a political detente in the Asian-Pacific region. The USSR proposes to look for ways of settling regional problems, of erecting reliable barriers to prevent the proliferation and build up of nuclear arms there, to start talks on reducing the activity of navies (first of all of ships with nuclear arms on board) and to transfer the discussion of confidence-building measures and non-use of force onto a plane of practical actions. The broad platform proposed by the Soviet Union for ensuring security and cooperation in Asia and the Pacific presupposes the participation of all countries in this process.

At the same time, the Soviet Union proposes to strive in Asia for a radical reduction of armed forces and conventional armaments to limits of reasonable sufficiency. It goes without saying this problem should be solved step by step, starting with one certain area, for example, the Far East. And here too, the Soviet Union has set a good example. That is why there is nothing unexpected in the broad response in the world to the announcement about the Soviet Union's readiness to discuss with the PRC concrete steps directed at a commensurate reduction of the size of the ground forces of both countries, and the discussion by the Soviet and Mongolian leadership on the question of withdrawing a considerable share of Soviet troops from Mongolia.

The sound reasoning behind the Soviet proposal to reduce armed forces and armaments in Asia is obvious. By slashing military expenditures, and spending the thus released means on peaceful aims, it would be possible to solve many problems in the socio-economic development of countries in the Asian-Pacific region. There is no need to prove how ruinous the arms race is for the developing countries. As to the Asian-Pacific states, according to the UN data, more than 500 million people there live in conditions of absolute poverty. Were this region drawn still deeper into the abyss of the arms race, the consequences would be very grave. Those who stand to gain in this event would be military monopolies of the leading capitalist powers, above all, those of the United States.

Washington openly regards the Asian-Pacific region as a "second front" (after Europe) in its confrontation against the Soviet Union, a component part of its global military-strategic system. The most aggressive circles in the West view military deliveries to their foreign allies, first of all to countries located close to the borders of the USSR and other socialist countries, as a means of equipping the participants in their future coalition. Also serving these aims are the so-called commitments of "alliance" imposed by the United States on a number of Asian-Pacific countries. Thus, the Japanese-American "security treaty" enabled the Pentagon to place numerous bases in Japan and turn the territory of that country into a springboard of military threat to other states

of the region, above all to the Far Eastern areas of the Soviet Union. Coordination of the military activities of the United States and Japan is continuously intensified and expanded under the guise of this treaty. They regularly engage in joint exercises, during the course of which, among other things, they work out steps to block off the straits so as not to let Soviet war ships into the Pacific.

Neither does the US military presence in South Korea pursue defensive purposes. In the Pacific zone the United States has its second most powerful military grouping (after Western Europe), numbering half a million officers and men. It also has hundreds of military installations there and constantly expands and improves the system of logistics for its strategic forces and forward-based nuclear weapons.

They fear in Washington that the well-argued Soviet proposals directed at strengthening strategic stability in Asia and the Pacific will find support among government circles and the public and thus impede the fulfilment of its military ambitions. Washington hastened to give a negative reply to the Vladivostok set of Soviet proposals, saying that the United States, allegedly, was not prepared for a broad conference on the region's problems to be attended by the states concerned.

Awareness of the need to improve the international situation in Asia—such is the common denominator of the reaction by the political circles in those countries to Soviet peace initiatives. And this is natural, since Soviet policy of peace and cooperation accords with the aspirations and strivings of the countries and peoples both in Asia and in other parts of the globe.

The Soviet Union, of course, has no intention whatsoever of imposing on other Asian countries some guaranteed recipe, some sort of ready-made formula for Asian security. The USSR appeals to the Asian countries to jointly participate in the working out of such a formula and to use for this purpose both bilateral and multilateral contacts.

It is quite evident that the implementation of the concept of Asian security is a long-term task requiring a stage-by-stage advance from simple to more complex matters. The idea is that the Asian states would move step by step from those mutual accords attainable on a bilateral or multilateral basis in one part of the continent or another, to already more serious and multifaceted understandings. This would gradually expand the base of lasting peace and stability on the continent as a whole. But, of course, this requires the speediest taking of concrete steps to stabilise the situation in those parts of Asia where hotbeds of war continue to smoulder.

The Soviet concept of Asian security, providing for a joint search for ways of ensuring peace in Asia by combining the efforts of all countries of the continent, large and small, with due consideration for the experience accumulated by the Asian countries themselves and by countries of other continents, constitutes a serious basis for deepening the understanding and cooperation between the countries of Asia and establishing a lasting peace in this region.

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## DEVELOPMENT OF ECONOMIC THOUGHT IN CHINA DISCUSSED (1970'S-1980'S)

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[Article by Ye.F. Avdokushin, candidate of economic sciences]

The history of economic thought in China shows that it evolved in zigzags. Its development following the establishment of the PRC and in the first five-year-plan period (1953-1957) was impeded during the "Big Leap" period (1958-1960). According to Chinese social scientists, economic science started losing its objective character. They admit that the use of political struggle methods in social sciences resulted in the simplification, absolutisation and schematisation of several propositions of Marx and Lenin. In the opinion of Ji Baocheng, an economist at the People's University, quite a few "taboos" and "weak points" emerged in economic theory in that period.<sup>1</sup> Many Chinese economists objectively approached the problems they dealt with, yet in the mid-1960s the situation in China's economic science deteriorated steadily. Following the onset of the political campaign under the slogan "Use the Class Struggle as the Basis" (autumn 1962), many scientific studies were curtailed and economic science, influenced by "leftist" ideology, increasingly engaged in "spelling out the party's current policy rather than studying the economic laws of socialism". For that reason many economists did not produce anything viable during that period nor did they "show their worth".<sup>2</sup> At the same time, there also appeared some publications which had certain theoretical value for the study of socialism's economic problems, particularly in China. They included works by Sun Yefang, Xu Dixin, Yu Guangyuan, and other scholars.

During the "cultural revolution", characterised today in China as the "period of the onslaught of idealism", when "science was substituted for contemporary superstitions"<sup>3</sup>, economics as a science practically ceased to exist in China because research work was curbed and relegated to a "dangerous zone" of activities. Western Sinologist Leo Goodstadt asserts that during the "cultural revolution" out of 90 professors and lecturers of Peking University 73 were purged and 23 of those were sentenced to death.<sup>4</sup>

In the early 1970s, some publications on economic subjects, including political economy, began to appear in China. They were few and, in the opinion of the authoritative Chinese economist, Xiao Liang, "do not have any scientific value".<sup>5</sup> As a result, by the second half of the 1970s China's economic science was in a state of stagnation and decay. "Theory was made a means for substantiating current political guidelines."<sup>6</sup> Zhou Yang, head of the Propaganda Department of the Central Committee noted that the elements of economics cultivated in the early and mid-1970s were intertwined with superstition, ignorance and the religious cult of citation

<sup>1</sup> See *Jingjixue zhoubao*, March 31, 1985, No. 13, p. 5

<sup>2</sup> See *Jingjixue zhoubao*, Dec. 17, 1984, No. 51, p. 5.

<sup>3</sup> See *Jingji kexue*, 1980, No. 1, p. 1.

<sup>4</sup> In *Round Table*, London, 1979, No. 273, p. 16.

<sup>5</sup> See *Jingjixue zhoubao*, Dec. 17, 1984, No. 51, p. 5.

<sup>6</sup> *Wenhui bao*, Jan. 13, 1980.

worship. In fact, "there was no difference between political propaganda and scientific studies".<sup>7</sup>

The second half of the 1970s saw a marked and increasing revival of economic science. At first appeals and timid attempts were made, followed thereafter by vigorous steps towards its allround development. The shift was caused primarily by alterations in political priorities Chinese leadership had to make faced with serious difficulties in the development of China's national economy. The need to advance and reorganise the economy, seriously undermined by the "ten-year-long turmoil of the cultural revolution", made it imperative that urgent measures be taken to rectify the economic situation. These measures added up to a policy of rehabilitating and developing China's economy by way of "readjustment", and also through an economic reform. The exceptional role of economic development in the implementation of the Chinese leaders' main strategy, the programme of "four modernisations" made economics an uncontested leader among other social sciences. The Party Committee Secretary of Hubei province, Guan Guangfu, says that whatever science is studied by a scientist, he "must study economics and tie up, if possible, his scientific studies directly with the study of economic construction".<sup>8</sup> A prominent Chinese economist, Yu Guangyuan, even said that political economy is the "most important component of Marxism".<sup>9</sup>

Apart from purely practical functions, Chinese economic science was also to perform the ideological function of substantiating a "special path" of building socialism, i. e., "socialism with Chinese specifics". In most cases these two functions were performed simultaneously, in an interconnected and integrated way.

To revive economic science and make it dynamic, Chinese leaders again put forward (as they did in the 1950s) the slogans: "Let One Hundred Flowers Blossom, Let One Hundred Schools Compete!", "Set Consciousness Free!", and "Everything on the Basis of Practice!"

These slogans materialised in the restoration and development of the science's infrastructure: a number of new research institutions specialising in economics were opened and those inactive resumed their activities; economic societies were organised; a sizeable contingent of economists were trained and publications on social sciences were resumed. Today, more than 200 social science magazines are published in China. Special economic publications account for a considerable share and include such as *Jingji yanjiu*, *Jingji guanli*, *Jingji kexue*, *Jingji wenti*, *Zhongguo jingji wenti*, *Jingji lilun yu Jingji guanli*, *Jingji yu guanli yanjiu* and also the weekly *Jingjixue zhoubao* and the newspaper *Jingji ribao*. Most universities and institutes publish "scientific papers". These publications carry articles by Chinese economists on various problems of political economy, special economic sciences, reports on scientific economic conferences and discussions at home and abroad, review various viewpoints on specific problems of economic theory and practice and also include bibliography. There are economic yearbooks, reference books and dictionaries. According to Xiao Liang, editor of the yearbook *Zhongguo Jingji kexue nianjian* (Economic Sciences in China), "over a thousand economic articles in various scientific economic publications" are printed in China each month.<sup>10</sup>

In the 1980s, many scientific collections, books and booklets by prominent Chinese economists (Sun Yefang, Xu Dixin, Xue Muqiao, Yu Guangyuan, Ma Hong, Sun Shangqing, Dong Fureng and many others) have appeared. They deal with some topical problems of the economic

<sup>7</sup> *Guangming ribao*, May 8, 1979.

<sup>8</sup> *Jingjixue zhoubao*, April 21, 1985, p. 1.

<sup>9</sup> *Jingji yanjiu*, 1985, No. 6, p. 21.

<sup>10</sup> *Jingjixue zhoubao*, Oct. 8, 1984, No. 41, p. 4.

theory of socialism. Several textbooks on political economy have also been published.

The period under review is characterised by the abundance of material on economics, varied subjects as well as presentable authors, and is in sharp contrast with the rather bleak economic scientific life of the preceding decade (1966-1976). Though relatively short, this period is dynamic and prolific in theoretical studies and incorporates several distinct stages that have their own specifics. In my opinion, there were three main stages in the development of China's economic thought over the past decade:

- Stage I—from late 1976 to 1979;
- Stage II—from 1979 to October 1984;
- Stage III—from late 1984 to this day.

At Stage I, the economic theory of socialism was studied in the setting of acute ideological and political struggle between the supporters of the "traditional", leftist methods of economic management (the administrative, command style, methods inherent in the self-sufficient, non-commodity, farm produce economy) and the adherents to new (chiefly economic) methods of the country's economic and social development—those who were aware of the need to carry through drastic changes. Ideologically, during that period there was rather sharp but somewhat monotonous and schematic criticism of theoretical distortions of socialism. At that time Chinese social scientists were gradually departing, slowly and agonisingly, from traditional, leftist economic and political dogmas and turning to the country's economic realities, recognising the objective nature of socialism's economic laws. A prominent role in that complex process was played by Hu Qiaomu, then President of the PRC Academy of Social Science. He wrote an article, titled "Acting in Keeping with Economic Laws, Accelerating the Four Modernisations Programme",<sup>11</sup> which became a significant event in the development of Chinese economic thought. Some of its propositions were open to discussion, but in general it steered Chinese economists towards studying the objective economic laws of socialism and showed the increasing role of economic theory in building socialism.

Relatively obsolete Chinese economic thought caused by the protracted period of stagnation in theoretical studies, and the fear to engage in open discussion with the leftists who had largely retained their positions,<sup>12</sup> often led Chinese economists to superficial and formalistic conclusions with traces of leftist socio-economic dogmas and elements of various subjectivist interpretations of Marxist-Leninist economic theory. At the same time, however, a non-formal scientific approach to socio-economic phenomena under study was gaining ground, as were some elements of a new "specific approach" to the essence of socialist economy and its development in the PRC.

Yet, despite the growing number of publications on economic subjects, it was still difficult to single out some sufficiently new, original works on the economic theory of socialism during the period under review. These publications were mostly collections of articles by leading Chinese economists, which had appeared in the Chinese press back in the 1950s and 1960s.<sup>13</sup>

<sup>11</sup> *Renmin ribao*, Oct. 6, 1978

<sup>12</sup> Liu Binyan, a prominent public figure and author, says that as late as 1979 leftist ideas could be spread in China "openly and without any risk". But people supporting political tenets of the Third Plenum of the CC CPC (December 1978) can hardly feel themselves safe from being "bludgeoned or branded" at any time (see *Wengi ban*, 1979, No. 11-12).

<sup>13</sup> See, for example, Xue Muqiao, *Theoretical Problems of Socialist Economy*, Renmin chubanshe, 1979, 202 pp.; *A Collection of Articles on Socialist Commodity Production and the Law of Value since the Establishment of the PRC*, in two volumes, ed. by Zhang Zhouyuan, et al, Shanghai, Renmin chubanshe, 1978-1979; *On Distribution According to Work. A Collection of Articles*, Beijing renmin chubanshe, 1978

The hallmark of Stage I in the development of Chinese economic thought is contradiction between the desire of some Chinese economists to approach the economic phenomena of socialism from the standpoint of Marxist-Leninist political economy and the superficial, dogmatic, leftist interpretation of these phenomena by another group of Chinese economists. Numerous attempts were made to achieve a symbiosis of two approaches. As a result, the Chinese economic thought of the period suffered certain duality because it included a good share of vulgar-fetish elements coupled with scientific propositions.

Stage II in the development of Chinese economic thought largely derived from the decisions of the Third CPC Central Committee Plenum of the 11th Convocation (December 1978), which were to "liberate consciousness", put an end to "book worship" and "thought inertia" and "rectify the ideological line". The beginning of this period was marked by the economic reform in the countryside and economic experiments in industry, which led to a snowball of economic data: figures, facts and publications, primarily on the problems of economic reform.<sup>14</sup>

We should stress the vigorous activity of Chinese social scientists in discussing many problems of the economic theory of socialism. Many scientific conferences were organised to study objective economic laws, including the law of value under socialism, the operation of the system of economic laws, and the main economic law of socialism.<sup>15</sup> The Chinese press widely discussed the subject and the method of the political economy of socialism,<sup>16</sup> the main features of socialism<sup>17</sup>, and reproduction under socialism.<sup>18</sup> Also widely discussed were questions of "plan and market"<sup>19</sup>, socialist commodity economy<sup>20</sup>, forms of ownership under so-

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<sup>14</sup> See Yu Guangyuan, *On the Reform of the Economic System of China. A Collection of Articles* (1979-1985), Hunan renmin chubanshe, 1985; Xu Dixin, *The Reform of China's Economy* Zhongguo shehui kexue chubanshe, 1982. *A Study of China's Economic Structure*, in two parts, ed by Ma Hong and Sun Shangqing, 1981-1983. Xue Muqiao, *Rectification and the Reform of China's Economy*, Renmin chubanshe, 1982. *The Reform of the Economic System of Modern China*, Zhongguo shehui kexue chubanshe, 1984, 825 pp. *Dictionary of Political Economy*, in three volumes, ed by Xu Dixin (1980-1983), et al.

<sup>15</sup> See Ji En, Shen Shusheng, *Popular Lectures on the Economic Laws of Socialism*, Huh Huotuo, 1980. Wang Jue, et al, *Popular Lectures on the Most Important Laws of Socialism*, Qiushi chubanshe, 1982. *Acting in Keeping with Objective Economic Laws*, Shanxi renmin chubanshe, 1979. Peng Chaogui, *An Explanation of the Economic Laws of Socialism*, Chongqing, 1983. Lo Zhou, *Lectures on the Basic Economic Law of Socialism*, Ningxia renmin chubanshe, 1984. Zhang Zhuoyuan, *Value, Price, Cost and Profit in the Economy of Socialism*, Zhongguo shehui kexue chubanshe, 1983, etc.

<sup>16</sup> See Song Tao, *The Subject and Method of Political Economy*, Zhongguo renmin daxue zhengzhi jingji xueji, 1982. Li Yang, "Discussion and Study of the Subject of Political Economy", *Anhui daxue xuebao*, 1981, No 2; Xiong Yingwu, "Political Economy and the Productive Forces", *Jianghan luntan*, 1982, No. 2; etc.

<sup>17</sup> See Chen Yuanning, "The Methodology of Studies in Socialism", *Qiusuo*, 1981, No. 1; Zhang Zhaonan, Song Zhenguo, "On the Basic Features of Socialism", *Beijing zhengzhi xuejian xuebao*, 1982, No. 1; Chen Zhong, On the Basic Features of Socialism, *Xueshu yuekan*, 1981, No. 1; etc.

<sup>18</sup> See Liu Guoguang, et al, *Marx's Theory of Social Reproduction*, Zhongguo shehui kexue chubanshe, 1981; Lin Zili, *Streamlining the Economy and the Theory of Reproduction*, Shanghai renmin chubanshe, 1981; Dong Furong, *Problems of Reproduction and National Income under Socialism*, Renmin chubanshe, 1983; Luo Lirong, et al, *Analysis of the Categories of Reproduction in Socialist Society*, Renmin chubanshe, 1983, etc.

<sup>19</sup> See Zhong Enzheng, Zhang Wenyi, et al, *Plan and Market*, Shanghai renmin chubanshe, 1984; Su Xing, *Plan. Market*, Shanghai renmin chubanshe, 1984; etc

<sup>20</sup> See Liu Shibai, *A Study of Some Questions of Socialist Commodity Production*, Sizhou renmin chubanshe, 1983; Zhuo Jiong, *On the Socialist Commodity Economy*, Guangdong renmin chubanshe, 1981; etc.

cialism<sup>21</sup>, distribution according to work<sup>22</sup>, productive and non-productive labour<sup>23</sup>, the strategy for China's economic reform<sup>24</sup> and many other problems.

As compared with Stage I, the development of economic science involved a gradual transition from the criticism of former theoretical propositions, especially during the "cultural revolution", to a positive, creative approach to economic problems. Many problems of the economic theory of socialism were quite new to Chinese social scientists, thus making discussions of that period extremely varied in viewpoints and opinions.

Stage II was characterised by the disappearance of quite a number of "taboos" in economic analysis; exposure of leftist attitudes towards theory; increased attention to the study of Marxist economic theory<sup>25</sup> and the emergence and development of new fields of economic studies, such as the economics of productive forces,<sup>26</sup> economics of education, economics of the environment,<sup>27</sup> economics of consumption,<sup>28</sup> and economics of tourism.

The beginning of the new stage reflected growing pragmatism of Chinese economic school (the "scientific businesslike approach") and by the hypertrophied role the market-oriented economic management played in building socialism. The national specifics of economic science were somewhat exaggerated and efforts were stepped up to find a national basis, theoretical substantiation for the "special path" in building socialism. In this connection, the heritage of prominent Chinese ideologues and social scientists was widely popularised. Specifically, there was a period when the views of the prominent CPC leader Chen Yun and the well-known economist Sun Yefang<sup>29</sup> were broadly disseminated.

<sup>21</sup> See Pan Jingzhi, *Socialist Ownership*, Guanxi renmin chubanshe, 1982; Xia Weiyang, Zhou Xietong, et al., *Urban and Rural Collective Ownership-based Economy*, Shanxi renmin chubanshe, 1981; etc.

<sup>22</sup> See Wang Xiangchun, Sun Changguo, Xu Yulong, *On the Law of Distribution According to Work*, Liaoning renmin chubanshe, 1980; *On the Problems of Distribution According to Work*, Materials of the Fifth All-China Conference on the Theory of Distribution According to Work, Renmin chubanshe, 1984; Xu Weinwen, *On the Distribution According to Work*, Zhongguo shehui kexue chubanshe, 1982; etc.

<sup>23</sup> See Xu Weinwen, Ma Changshan, *A Collection of Articles on Productive and Non-productive Labour since the Establishment of the PRC*, Shanghai renmin chubanshe, 1983.

<sup>24</sup> See Ma Hong, *On the New Strategy of Socialist Economic Development in China*, Zhongguo shehui kexue chubanshe, 1982; Ma Hong, *Studies and Discussion of the Ways of Economic Development*, Shanghai renmin chubanshe, 1984; Liu Guoguang, et al., *Studies in the Strategy of China's Economic Development*, Shanghai renmin chubanshe, 1984.

<sup>25</sup> In the early 1980s, extensive studies of Marx's *Capital* resumed in China, and conferences on problems related to such studies were held. All-China Society of Economists Studying *Capital* was set up, and a number of works analysing the book were published: Xu Dixin, *On Production, Circulation and Distribution under Socialism. (Notes on Capital)*, Renmin chubanshe, 1984; Ma Jiaju, "Capital" and the Study of the Political Economy of Socialism, Guizhou renmin chubanshe, 1984; *A Study of Marx's Economic Theory. A Collection of Scientific Articles to Mark the Centenary of Marx's Death*, Shanghai renmin chubanshe, 1983; Hong Yuanpeng, "Capital and the System of the Political Economy of Socialism", *Jingji yanjiu*, 1983, No. 8; etc.

<sup>26</sup> Between 1981 and 1984, conferences were held in China, and several books were published on the subject of productive forces: *The Economics of the Productive Forces*, Guizhou renmin chubanshe, 1981; *On the Economics of the Productive Forces*, Jilin renmin chubanshe, 1983; Xiong Yingwu, *An Introduction to the Economics of the Productive Forces*, Harbin, 1983. In 1985, the Society for the Study of the Economics of the Productive Forces of China published a large collection entitled *Studies of the Laws of the Productive Forces*, which included 50 articles by 59 authors.

<sup>27</sup> See Wan Li, "A Matter of Strategic Importance in Building Socialism", *Renmin ribao*, April 6, 1984; Chen Yuqun, "The Study and Discussion of the Economics of the Environment", *Jingji kexue*, 1985, No. 2, pp. 63-67.

<sup>28</sup> In 1983-1984, a number of books on the subject appeared in China which received a good press. See, for instance, Yi Shijie, *The Economics of Socialist Consumption*, Shanghai, 1983; Liu Fanglu, *An Introduction to the Economics of Consumption*, Guiyang, 1984; etc.

<sup>29</sup> Sun Yefang died in 1983. The Sun Yefang Prize, established after his death, is awarded to outstanding researchers in economics.

In general, the stage that began after the Third CPC Central Committee Plenum of the 11th Convocation is unanimously viewed by the Chinese press as the most important period in the development of economic thought. During that period, "economic studies in China showed signs of rapid growth".<sup>30</sup> Some Chinese authors characterise 1979 as the year which commenced a "breakthrough" in the political economy of socialism.<sup>31</sup> In an article titled "Developing Economic Science for the Needs of Socialist Modernisation", Xiang Qiyun writes that between 1979 and 1984 "research in the economic field accelerated, studies expanded and deepened, exerting profound influence on practice". In his opinion, the productivity of the economic studies of the period "had surpassed those undertaken in any period since the establishment of the PRC".<sup>32</sup> One can agree with that assessment in general taking into account that it was a record-high period in terms of the number of functioning research establishments, economic publications, scientific forums, etc. As for Xiang Qiyun's idea of the "active influence" of theory on practice, some Chinese economists do not share it. There are quite a number of economic publications proving convincingly that theory in that period obediently followed practice, confining itself to comments on official documents already passed. As a result, theory trailed behind practice.<sup>33</sup>

The implementation of the economic reform largely bears this out. China's economy was being reformed primarily and chiefly on the basis of an experiment, rather than theoretical studies and relevant practical recommendations. This is true both of the reform in the countryside (to a greater extent), in industry and in the Chinese society as a whole.

The resolution of the Third CPC Central Committee Plenum of the 12th Convocation emphasises that during the course of the reform "a number of experiments and studies were made, some important measures were taken, tangible results achieved, and significant experience was accumulated".<sup>34</sup> Essentially, Chinese economic thought developed a theoretical basis for the experiment, explained it, commented on it, analysed previous experience and made forecasts. The first and second aspects (explanations and comments) were much more in evidence than independent research.

Chinese economists believe that during that period (1979-1984) economic science exposed the objective laws of the current phase in China's economic development, which constituted its most important achievement. Specifically, these laws include: those governing the origin and development of the cooperative economy in the countryside; the multiple methods of management and specific structures of the relations of production at the initial stage of socialism; definition of the aim of socialist production and mechanism for its attainment; specifics of commodity production under socialism and the role of the law of value; a comparative analysis of the models of socialist economy; a strategy for the development of China's national economy; an open foreign trade policy, etc.<sup>35</sup> As regards the above problems, many of them had for years remained the "blank spots" on the map of Chinese economic science and were markedly developed only during the period under review. Chinese economists took into account the specifics of their country, attempting new approaches to those problems. Yet in some instances this development was a step forward only in rela-

<sup>30</sup> *Jingjixue zhoubao*, Dec. 17, 1984, p. 5.

<sup>31</sup> See *Jingjixue zhoubao*, March 17, 1985, No. 11, p. 1.

<sup>32</sup> *Guangming ribao*, Oct. 14, 1984

<sup>33</sup> See *Jingjixue zhoubao*, 1985, No. 19, p. 5; *Ibid.*, Jan. 28, 1985, p. 1; *Hongqi*, 1985, No. 13, p. 38.

<sup>34</sup> CC CPC Resolution on the Reform of the Economic System (October 1984), Pe-  
king, p. 3.

<sup>35</sup> *Guangming ribao*, Oct. 14, 1984.

tion to the position Chinese economic thought occupied by the late 1970s. In added little to the general advance of today's economic theory of socialism. The efforts and achievements of Chinese social scientists in developing certain economic problems of socialism are not belittled in any way, yet it should be noted that many of the above problems have, to varied degrees, been either resolved or considerably advanced by Marxist economists in other socialist countries. That stage in the development of Chinese economic thought saw attempts to approach many economic problems of socialism, already solved by scientists in other socialist countries, as if they were first raised and resolved in China. In some cases that seemed to be a result of inadequate information available to Chinese economists concerning the advances of other socialist countries in tackling their problems or the superficial analysis of that information.<sup>36</sup> In the opinion of Ding Xuezhou, a Chinese political economist, the policy of isolationism, pursued in China for many years, and the exclusive study of its own experience have made many Chinese economists believe that the "political economy of socialism is a Chinese economic science, and that Chinese economic science has identified itself with the economic science of socialism".<sup>37</sup> Chinese economists were inadequately informed as regards the history of the scientific concepts of socialist economy. For this reason they were handicapped and compelled to sustain the unproductive losses of "discovering" what had been discovered long ago and reviving viewpoints which were outdated and practically untenable.

In general, however, Stage II in the development of Chinese economic thought was, beyond a doubt, marked by tangible progress as compared with the preceding period. Yet it can be viewed as a period when economic science developed more extensively, than intensively, i. e., along the lines of qualitative improvement. This conclusion is borne out, to some extent, by a statement made by Wang Jue, head of the chair of political economy at the Party School under the Central Committee of the CPC. Analysing the results of this stage in the development of the political economy of socialism, he said that, for all "tangible progress", Chinese economists failed "completely to cast aside the established framework, certain settled views, and to effect radical improvement in general".<sup>38</sup>

It should be added that in the interpretation of a number of problems of the economic theory of socialism, by the mid-1980s, Chinese economic science has largely remained at the level that Marxist economic theory had already reached 20 or 25 years ago. This pertains to the interpretation of the main economic law of socialism, other economic laws of socialism, the reason for the existence of commodity-money relations under socialism, etc. Chinese economists are only beginning to deal with many other problems, such as the intensive type of extended reproduction, economic growth under socialism, and the optimal functioning of the economy.

The broad and active discussion of many problems related to the economic theory of socialism, the efforts and findings made by Chinese economists at that stage played their practical role. Above all, they were incorporated into the programme document of the Third CPC Central Committee Plenum of the 12th Convocation, which had summarised basic conclusions and propositions on a number of issues discussed at the time within the framework of the ongoing economic reform.

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<sup>36</sup> Scores of books by Soviet economists, translated into Chinese, have been published in China over recent years. They include works by I. G. Blyumin, L. M. Gatovsky, G. A. Javadov, Leont'ev, K. V. Ostrovitsyn, and many others.

<sup>37</sup> *Jingjixue zhoubao*, Dec. 24, 1984, No. 52, p. 5.

<sup>38</sup> *Hongqi*, 1985, No. 9, p. 41.

Many features of China's economic thought of 1979-1984 are still in evidence. And yet the period in its history which was begun by the publication of the CPC Central Committee Resolution on the Reform of the Economic System already has certain distinct features, however short it may be as compared with the previous stages.

Many Chinese social scientists say that the Resolution has accomplished a "breakthrough" in the political economy of socialism and opened up broad possibilities for further economic studies.<sup>39</sup> In fact, it has ushered in a new stage in the development of Chinese economic theory. This stage is characterised by the following processes: a broad and active campaign for deeper study of the Resolution<sup>40</sup> and its use as a methodological basis for further economic studies; a more active study of economic sciences which are new for China (mathematical economics, technical economics, the systems theory of optimal functioning of the economy, the economics of various spheres of the infrastructure, the economics of the environment, etc.); the use of new methods in economic studies, such as the systems theory, informatics and the control theory; a more vigorous search for a new scientific economic system of socialism and the wish to develop a new, "specifically Chinese", political economy.

In its drive to disseminate the Resolution, the Chinese press calls it the "most important" document of "historic significance" combining "the universal principles of Marxism and the specific practice of the Chinese Revolution", a "breakthrough in the economic theory of Marxism". Most Chinese social scientists hold that the Resolution has enriched and developed Marxism-Leninism in many ways. A "breakthrough in the traditional opposition of the planned and the commodity economy" is called the "most important achievement" of the Resolution. This document clearly shows that the "planned economy is a commodity economy based on social ownership"<sup>41</sup>.

It should be noted that some Chinese economists (Lu Zhigao, Cha Juru), while giving the Resolution its due, warn against the absolutisation or universalisation of the Chinese economic system, Chinese experience in building socialism and its theoretical substantiation. They propose a wider use of the theoretical and practical experience of other socialist countries in building socialism and in writing textbooks on the political economy of socialism.<sup>42</sup>

This article is not intended to give a thorough analysis of the Resolution, yet it should be emphasised that the document in many ways sums up numerous debates on the economic theory of socialism involving Chinese economists back in 1979-1984. The Resolution contains a number of provisions showing that Chinese economic science has overcome many dogmatic, leftist theories. This involves, above all, the objective nature of the economic laws of socialism, distribution according to work under socialism, socialist ownership of the means of production, the specifics of consumption under socialism, etc. The Resolution also contains some noteworthy propositions regarding the theory of socialist planning, management, the combining of the interests of the state, enterprises and the individual, etc.

At the same time its description of the commodity nature of socialism or all-embracing competition under socialism is far from being indisputable and theoretically tenable.

<sup>39</sup> *Jingji yu guanli yanjiu*, 1985, No. 2, p. 5.

<sup>40</sup> According to Prof. Liu Guoguang, by late 1984, 350 various groups studying economic theory on the basis of the Resolution, operated in China, with membership totalling some 50,000.

<sup>41</sup> *Guangming ribao*, Feb. 4, 1985.

<sup>42</sup> *Ibidem*.

In spreading the ideas of the Resolution, Chinese economists show a lively interest in problems which are new to them, particularly the methodology of the political economy of socialism. This seems to be the bottleneck of China's political economy.<sup>43</sup>

In the mid-1980s, Chinese political economists began to show marked interest in developing a system of the political economy of socialism, defining the basic category and the key direction of socialism.<sup>44</sup> In early 1985, the magazine **Hongqi** and the weekly **Jingjixue zhoubao** opened a discussion on the need to reform the study of the political economy of socialism and its teaching, and to revise or rewrite a textbook of the political economy of socialism, which would meet the demands of "socialism with Chinese specifics".<sup>45</sup> The need to study and teach the political economy of socialism was stressed most emphatically. It was noted that the content of the textbook had become obsolete, quite a number of urgent problems remained untackled, instruction material was inadequately substantiated, and there was shortage of skilled and knowledgeable teachers.

Much attention is still being given to the study of the economic laws of socialism: four nationwide scientific conferences on this subject have been organised since the early 1980s. While initially, Chinese social scientists merely recognised the objective essence of the economic laws of socialism and the need to study, use and connect them with other economic laws, in the mid-1980s they increasingly tended to adopt a systems approach to their study. In general, however, despite obvious progress here, Chinese social scientists still face many problems in this field of economic studies.

In connection with the ongoing economic reform in towns, which began in January 1985 and is to be completed in 3 to 5 years, Chinese economists are actively discussing the reform of prices under socialism. Moreover, that reform is viewed as the "central link" in the overall economic reform.<sup>46</sup> Increasingly close attention is given to the efficiency of social production<sup>47</sup> and the use of the achievements of scientific and technological revolution in carrying through the "four modernisations program-

<sup>43</sup> Chinese economists have not yet produced thorough, special studies on the methodology of the theory of socialism. The only exceptions are the work by philosopher Zhang Jiangming *A Study of the Dialectical Problems of Socialist Society* (Renmin chubanshe, 1984) and a book by the prominent Chinese economist, Jiang Xuemo, *Ten Ideas of the Economy of Socialism* (Changsha, 1982). The Chinese translation of a book by Soviet political economist A. G. Guznyayev (*Problems Related to the Subject of the Political Economy of Socialism. Theory, History, Methodology*, Kazan University Press, 1976), can be viewed as a positive fact in this connection.

<sup>44</sup> In September 1984, the First All-China Conference was held in Suzhou which discussed the system of the political economy of socialism.

<sup>45</sup> The **Hongqi** discussion began following the publication of the articles by Wei Xinghua, Yu Xueben and Zhang Youren in its 6th issue and continued throughout 1985.

<sup>46</sup> The period between late 1984 and early 1985, when the price reform was being carried through in various Chinese towns, saw a steep increase in publications on the problem of prices and price formation under socialism. A considerable number of books and collections of articles on that subject appeared between 1982 and 1984, i. e., before the appearance of the CC CPC Resolution. They included some major works, such as Xu Yi, Chen Baosen, Liang Wuxia, *The Problems of Price Under Socialism*, Zhongguo saigai jingji chubanshe, 1982 (1st edition), 1984 (2nd edition); Li Long, Wang Zhengzhi, et al., *A Study of the Price Problems Under Socialism*, Zhongguo shehui kexue chubanshe, 1982; Yang Hundao, *Operation of Prices Under Socialism*, Zhongguo saigai jingji chubanshe, 1983; *The Theory of Price*, Ed. by Hu Changnuan, Zhongguo renmin daxue chubanshe, 1982 (1st edition), 1983 (2nd edition) 542 pp.; Su Xing, "Certain Theoretical Problems of the Price Reform", **Hongqi**, 1985, No. 12.

<sup>47</sup> See Zhang Shuguang, *Economic Structure and Economic Efficiency*, Zhongguo shehui kexue chubanshe, 1982; Hu Xiukun et al., *How to Raise the Economic Efficiency of Industrial Enterprises*, Qiye guanli chubanshe, 1984; Song Zexing, Liu Bo, Gao Shenwen, Zhan Zongtan, *An Introduction to Macroeconomic Efficiency Under Socialism*, Liaoning renmin chubanshe, 1984; Xiao Yongnian, "On the Intensification of Socialist Economy", **Jingji kexue**, 1986, No. 1.

me.<sup>48</sup> Individual (small-property) and collective sectors of the Chinese economy were also widely discussed.<sup>49</sup> Considerable attention is given to the development of the "third industry", i. e., the infrastructure sectors in China's national economy. Lively discussions continue on the problem of an "open foreign economic policy".<sup>50</sup>

Since the publication of the Resolution, Chinese social scientists have been increasingly urged to develop economic science comprehensively. They are expected to work with more zeal for the "four modernisations" programme, the economic reform and the substantiation of "socialism with Chinese specifics". The Chinese press emphasises that the country's own path must be developed by way of stepped-up efforts towards "bold scientific research", "breakthroughs" in the theory of socialism. To this end, many Chinese social scientists believe, research methods in social sciences must be modernised and brought closer to research methods in natural sciences. In the opinion of Wu Jiabei, modern research techniques include the use of mathematical methods, computers, and alphanumeric models. The systems theory, the theory of information and control must be applied to economic sciences, for "traditional methods" alone are no longer adequate for their successful development. Complex economic studies must be made, including the study of science and technology, ecology, natural resources and population problems.<sup>51</sup> Alongside "traditional" methods, says Peng Dinan, use should be made of some scientific elements of research applied in Western economic science and exchanges with Western scientists should be extended.<sup>52</sup> To meet all these demands, researchers themselves must reconceptualise themselves, the personnel should be rejuvenated and increased in numbers.<sup>53</sup> Special importance is attached to studies forecasting China's economic and social development in the year 2000.

China's present-day economic science is still confronted with the need to overcome dogmatism, to study the situation in world economic science and make in-depth research into the reform of the economic system and define the specifics of socialism in the PRC.<sup>54</sup>

Ma Hong, President of the PRC Academy of Social Sciences, called upon Chinese economists to meet the challenge of the country's modernisation programme and of the world scientific and technological revolution in general. To do this, he says, they have to "replace" the policy of isolationism in the field of social science with a "more open and flexible

<sup>48</sup> See Liu Qingming, "The Study of Social Sciences and the New Technological Revolution", *Guangming ribao*, April 16, 1984; Li Xinlin, "The New Technological Revolution and the Communist Movement", *Guangming ribao*, April 1, 1985; Ren Zhongying, Liu Bu, "The New Technological Revolution and New Conceptions", *Renwen zuzhi*, 1985, No. 2; Li Pengcheng, "The New Demands Put by the Technological Revolution Before Philosophers and Social Scientists", *Guangming ribao*, May 8, 1985; etc.

<sup>49</sup> See Cai Yue, "The Systems Analysis of the Individual Economy in Chinese Towns and Villages Today", *Beijing daxue xuebao*, 1985, No. 2, pp. 120-126, Yun Jing, "Development of Collective and Individual Economies", *Guangdong waishi*, 1985, No. 1, pp. 8-9; Wang Chengji, "Reappraisal of the Individual Economy in Modern China", *Jingji kexue*, 1985, No. 5. A special newspaper, *Xiao jingji daobao*, which covers numerous problems of the small-scale economy has been published in Guangdong province since February 1, 1985.

<sup>50</sup> See Zhu Jinkang, "An Open Economic Policy as the Basis of China's State Policy for a Long Period", *Jingji ribao*, December 7, 1984. Liang Wensen, "The Role of Economic Zones as a 'Window'", *Renmin ribao*, March 8, 1985.

<sup>51</sup> *Guangming ribao*, May 25, 1985, May 19, 1985.

<sup>52</sup> See *Guangming ribao*, May 19, 1985. In late October 1984, a conference was held in Peking to discuss the study of economic theory and management practice in Western capitalist countries. Forty reports were presented.

<sup>53</sup> According to Xiang Qiyuan's estimates, there are from five to six thousand Chinese economists engaged in research today (see *Guangming ribao*, Oct. 14, 1984); Xiao Liang's figure is 10,000, including non-professional economists (*Jingjixue zhoubao*, October 8, 1984, p. 4).

<sup>54</sup> See *Jingjixue zhoubao*, April 21, 1985, p. 4.

policy". "By overcoming the vestiges of the past and abandoning the traditional approach," Ma Hong believes, "we will arrive at a realisation of socialism."<sup>55</sup>

In response to these appeals, Chinese economist are developing the theory of socialism, concentrating their efforts on the study of the socialist planned commodity economy, guiding planning<sup>56</sup>, the socialist economic mechanism,<sup>57</sup> and the use of the joint-stock form of ownership<sup>58</sup> under socialism. The subject of "socialist competition"<sup>59</sup> is constantly discussed in the Chinese press, some authors point to the need to adopt a "law on the bankruptcy of socialist enterprises"<sup>60</sup>, and the problems of the socialist specifically Chinese way of life, are also actively discussed.<sup>61</sup>

In recent years Chinese economic science has made considerable headway, but there are as yet many unresolved problems. This is noted, for instance, by Chinese economist Peng Dinang. After referring to the achievements of recent years, he emphasises that social sciences in China do not yet fully meet the demands of social practice and have not yet reached the international level.<sup>62</sup> Chinese economic science has other shortcomings, too, and Chinese social scientists frankly speak of them as well. They include: lack of adequate scientific foundation for many theoretical propositions which stems from the fact that theory obediently follows in changes politics;<sup>63</sup> comparative backwardness of studies in political economy.<sup>64</sup> "Our theoretical studies in political economy," says Yu Guanyuan, a prominent Chinese economist, "are still relatively weak."<sup>65</sup> Other Chinese social scientists note that economic science is still rudimentary and has many problems to tackle,<sup>66</sup> that textbooks on the political economy of socialism are schematic; that scientific studies are inadequate and theoretical conceptions are empty and simplified; that qualitative analysis is imperfect,<sup>67</sup> etc. It should be said that the economic reform now under way in China has posed some new problems to economic science. Coming boldly to grips with them, Chinese economists, however, do not always show mobility and efficiency. In the opinion of Zhao Ziyang Premier of the PRC State Council, "scientific work in the field of economic theory lags behind the practice of the reform and construction".<sup>68</sup>

<sup>55</sup> *China Daily*, May 20, 1985.

<sup>56</sup> An All-China Conference dealing with "guiding" planning was held on 23-27 December in Fuzhou (see *Jingjixue zhoubao*, March 17, 1985; Wu Junyang, *The Study and Discussion of Guiding Planning*, *Jingji yanjiu*, 1985, pp. 3-8).

<sup>57</sup> See Liu Shiba, "The Political Economy of Socialism and the Economic Mechanism", *Jingji kexue*, 1986, No. 2.

<sup>58</sup> See Yi Duyou, "Problems Existing in Today's Joint-Stock Economy and Their Solution", *Beijing ribao*, May 27, 1985; Xiao Fang, "On the Study and Discussion of the Joint-Stock Economy", *Jingji ribao*, November 8, 1984; Chen Zhao, "The Study and Discussion of the Socialist Joint-Stock System", *Jingji yanjiu*, 1985, No. 4; *Jingjixue zhoubao*, Feb. 2, 1986, March 9, 1986, April 13, 1986, April 8, 1986, June 14, 1986.

<sup>59</sup> See Wang Yu, Shen Chun, "To Support Competition Means to Stimulate Progress", *Xinjiang shehui hexue*, 1985, No. 2; Sun Shangqing, "On Competition", *Jingji ribao*, Nov. 24, 1984; Fan Keming, "Why Competition Must Be Developed Among Socialist Enterprises?", *Gongren ribao*, Dec. 30, 1984; Nie Demin, "Competition Is the Necessary Condition for the Commodity Economy", *Jingji kexue*, 1985, No. 2; Ying Chewang, "On Socialist Competition", *Jingji kexue*, 1986, No. 1.

<sup>60</sup> In *China Daily*, May 4, 1985; May 25, 1985; *Jingjixue zhoubao*, March 16, 1986.

<sup>61</sup> See Yu Guanyuan, "Attaching Great Importance to the Scientific Guidance of the People's Way of Life", *Shenghuo fashi*, 1985, advance copy; Deng Weiji "Awakening to Life. A Discussion on Life Mode", *Jiefang ribao*, Dec. 5, 1984; Deng Biqing, "Improving the Socialist Way of Life in China", *Jingji kexue*, 1985, No. 3.

<sup>62</sup> *Guangming ribao*, May 19, 1985.

<sup>63</sup> *Jingjixue zhoubao*, 1985, No. 11, p. 5.

<sup>64</sup> *Ibid.*, March 3, 1985, No. 9, p. 5.

<sup>65</sup> *Ibid.*, March 31, 1985, No. 13, p. 5.

<sup>66</sup> *Ibid.*, Dec. 31, 1984, No. 53, p. 1; *Hongqi*, 1985, No. 13, p. 38.

<sup>67</sup> See *Hongqi*, 1985, No. 6, No. 9; Ma Hong, "Creating a New Situation in the Study of Social Sciences", *Zhongguo shehui hexue chubanshe*, Peking, 1984, p. 61.

<sup>68</sup> *Renmin ribao*, April 16, 1986.

Chinese social scientists believe that two basic conditions should be met in order to remove the existing shortcomings and successfully develop social, including economic, sciences in China. These conditions are: (1) promoting closer links between theory and practice; (2) stimulating freedom of scientific activities and continuing scientific discussions in an atmosphere of free criticism and countercriticism without any label pinning.<sup>69</sup> Liu Guoguang, a noted Chinese economist, believes that alongside consistent implementation of the slogans "Liberate Consciousness", "Let One Hundred Flowers Bloom", and "Let One Hundred Schools Compete", one has to be "sensitive to other people's statements" and "use the principle of the exchange of ideas".<sup>70</sup> Yu Qiangyuan developed the proposition on "stimulating the freedom of scientific activities" and considered it possible to form and express "wrong views".<sup>71</sup> This was backed by other Chinese social scientists as well.<sup>72</sup>

Analysing the appeals made by Chinese leaders and their practical steps to develop and modernise Chinese economic science, one should admit that a majority of them are necessary indeed, given the present-day situation in China's social sciences. Implementation of such measures may considerably modernise Chinese economic science and develop its research methods, expand the range of subjects under study and stimulate the quest for new solutions to practical problems involved in the building of socialism in China.

Chinese economists take a critical view of their own theoretical propositions and strive actively for something new and unexplored, for creating conditions that would ensure a healthy development of economic science. At the same time, they combine such an attitude with increased interest in the study of works by Marx, Engels and Lenin.<sup>73</sup> Yet, as the President of the PRC Academy of Social Sciences, Ma Hong, noted researchers still include people who shun Marxist theory and are prone to "doubts and vacillations".<sup>74</sup> Some economists believe that they should only "master knowledge in line with their speciality without perseverance in studying Marxism".<sup>75</sup> Some theorists, Ma Hong complains, believe that "Marxism has become obsolete". In their view, Marxism today holds positions "similar to Confucius's position in the period of the May 4th Movement... This is why". Ma Hong goes on to say, "they are opposed to Marxism as a theoretical basis, a guiding ideology".<sup>76</sup>

Peng Zhen, Member of the CC CPC Politburo, emphasised that there are people in China who assert that the "study of Marxism-Leninism, the fundamentals of Marxist theory, is a manifestation of conservatism and is directed against the reform". Pointing to the fallacy of these assertions, Peng Zhen stressed the revolutionary, creative nature of Marxism which is alien to dogmatism and stagnation.<sup>77</sup>

It is obvious that realistic attitudes to Marxist economic teaching have indeed been taken up by a certain group of Chinese theorists, especially their younger representatives. These economists doubt, albeit to varying degrees, the relevance of the economic theory of Marx, Engels, and Lenin and appeal to the "rationalism" of Western economic science, sometimes literally or outside the context of socialist systems. In the view of Chinese

<sup>69</sup> See *Jingji yanjiu*, 1981, No. 6, p. 6, 10.

<sup>70</sup> See *Jingji yanjiu*, May 1981, No. 20, p. 1.

<sup>71</sup> See *Jingji yanjiu*, 1981, No. 9, p. 20.

<sup>72</sup> See *Huaxue yanjiu*, March 8, 1981.

<sup>73</sup> In May 1986, the 30-year-long work on the publication of 30-volume collected works of Karl Marx and Frederick Engels in Chinese was completed.

<sup>74</sup> See Ma Hong, *Creating a New Situation in the Study of Social Sciences*, Zhongguo shehui chubanshe, Peking, 1984, p. 9.

<sup>75</sup> *Ibid.*, p. 10.

<sup>76</sup> *Ibid.*, p. 46.

<sup>77</sup> See *Renmin ribao*, April 13, 1980.

researcher Chen Duisun, Chinese economists' active familiarisation with Western economic science has resulted in a "trend towards worshiping, groundlessly and blindly, Western economic theories".<sup>78</sup>

There is no doubt that the theory and practice of the organisation and functioning of the capitalist economy should be studied to find out those rational elements which can later be digested, reshaped and reconsidered. It should, however, be emphasised that the main road to the development of the theory of socialism, and the search for effective ways of building it, still lie within the boundaries of the Marxist-Leninist assessment of the wealth of experience accumulated by real socialism, rather than outside it.

In recent years, Chinese economic science has scored considerable success, above all by discarding the bankrupt leftist socio-economic ideas and thoroughly revising the outdated and ineffective methods of building socialism. Today, Chinese economic science is characterised by a precise, practical approach. Mathematical methods of economic research are being increasingly applied by Chinese economists in their theoretical propositions. A comprehensive analysis of socio-economic phenomena is becoming increasingly widespread.

A number of theoretical propositions made by Chinese economists regarding the development of an effective economic mechanism seem to be rather interesting theoretically and have, to some extent, been tested in practice.

In setting new serious tasks for the 7th five-year economic development plan, Chinese leaders continue to pay attention to theoretical development of the economic problems of socialism and the reform of China's economic system. Chinese economists are urged "to probe into and solve major problems posed by the reform and construction by actively applying the basic propositions of Marxist theory and working consistently towards enriching and developing Marxism in their practical activities".<sup>79</sup>

The CPSU and Soviet economists stand for concerted efforts of the fraternal parties in studying and using the experience accumulated in building socialism and educating the working people in the spirit of communism, in developing Marxist-Leninist theory, deepening its creativeness and upholding its revolutionary essence. Mikhail Gorbachev said, "China and our country have similar priorities: to speed up economic and social development. So why not support each other and cooperate in implementing our plans where this will obviously be to our mutual benefit? The better our relations, the more the experience we can exchange with each other."<sup>80</sup>

Activisation of collective thought, constant expansion of exchanges of achievements in economic science and improvement of the socialist economic mechanism will undoubtedly contribute to the development of friendly relations between the PRC and the Soviet-Union.

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<sup>78</sup> Chen Daishan, "Western Economic Science and Modernisation of China", *Shijie Jingji* 1983, No. 9

<sup>79</sup> *Renmin ribao*, April 16, 1986

<sup>80</sup> *P...P...*, July 29, 1986

## POLITICAL IMPLICATIONS OF JAPAN'S 'UNIQUENESS' VIEWED

Moscow FAR EASTERN AFFAIRS in English No 2, 1987 pp 25-32

[Article by I.A. Latyshev, doctor of historical sciences: "The Political Purpose of Theories About the 'Uniqueness' of Japanese Culture and Spiritual Life"]

In recent time many books and articles have been published in Japan about the singularity of the Japanese national character, with sociologists, ethnographers, historians and political analysts all taking up the topic. At bookshops in the Japanese capital and other cities special sections have been introduced on "Japanology", "the Japanese", "Japanese culture" and so on, containing numerous publications on the topic. The majority of these focus on what distinguishes the Japanese from other nations. The idea of some "unique Japanese soul" has become the keynote of this "Japanological" literature.

Why should Japan be so intrigued with the "Japanese soul"? What is the chief motivation of the authors of these "Japanological" opuses? Whose interests does the idea of a "unique" Japanese nation serve?

It is not by mere chance that broad interest in the singularities of the national character of its citizens should have arisen in today's Japan. This interest appeared against a backdrop of US armed forces' presence in the country and acute struggle between the pro-American ruling elite, reflecting the will of the wealthy upper crust of Japanese society, and the democratic forces defending the interests of the working people and the country's independence. The opposing parties came out under the banner of defending the "national interests" of the Japanese people. In this context, national aspects of social life began attracting heightened attention; and, as a result of the political and ideological confrontation, many Japanese scholars and journalists began studying the national character.

As a rule, those writing on the topic are not very specific about their political views. And yet their outward political impartiality and neutrality camouflages at times their involvement in the ideological struggle between the two camps: in one way or another they inevitably support either the ruling conservatives or the democratic opposition. As time goes by, it becomes ever more obvious that the conservative camp is gradually taking the lead in nurturing among the Japanese a heightened interest in their ethnic singularities and also patent nationalist sentiment. Small wonder that the overwhelming majority of the admirers of unique virtues of the "Japanese soul" have conservative political leanings.

In fact, such zealous interest in the singularities of the Japanese national character is nothing but a manifestation of the growing activity of conservative, nationalist elements, the intensification of their onslaught on a democratic public that does not share their chauvinistic sentiments. Pronouncements on the uniqueness of the ethnic origin and culture of the Japanese are, as a rule, accompanied by statements that the country's entire historical development was some peculiar process and that the entire structure of Japanese society was radically different from the social structure of other states. Take, for example, the book *The Structure of Japanese Mentality* which was written by Prof. Yuji Aida from the Humanities Institute at Kyoto University and saw several

reprints in the 1970s, The author insists on the idea that the Japanese national character and social system preclude any possibility of revolutionary shake-ups and upheavals, like those that have taken place in other countries, in particular European countries<sup>1</sup>. According to the author, Japanese society has always ensured and continues to ensure equal opportunities for everybody in ascending the social and government hierarchy.<sup>2</sup> This assertion is made to prompt the conclusion that there are no class contradictions in the country and, consequently, no prerequisites for class struggle.

The majority of the advocates of the theory of Japanese unique national culture view the Japanese as a social and state entity cemented not only by ethnic kinship but also common morality, world outlook, attitude to other nations, common interests and political views. *The Japan of Today, 1985*, a booklet published by the Ministry of Foreign Affairs for distribution abroad, claims, for instance, that the Japanese "are an unusually homogeneous people", which "over centuries developed institutions, customs and characteristics that have given them a strong sense of national identity and common purpose."<sup>3</sup>

The class nature of these arguments is quite evident: for all the Japanese are ascribed reverence to the emperor's dynasty which is considered to be an important component of "Japanese culture".

It is noteworthy that in their quests to find ever new singularities of the Japanese national character, conservative scholars and journalists are often guided by American anthropological literature. The discussion of the uniqueness of the Japanese as a nation was, perhaps, first set off by the publication in the postwar period of the translation of *The Chrysanthemum and the Sword*. This book was written by an American, Ruth Benedict, during the Second World War with the aim of acquainting US politicians and the military with the unknown customs and mode of life of the inhabitants of the Land of the Rising Sun. Focusing on the peculiarities of Japanese mentality, Ruth Benedict created not only among Americans but also among many of her Japanese readers a stereotype of certain exclusiveness of the Japanese as a nation. Translated into the Japanese, this book encouraged a number of Japanese journalists and anthropologists to undertake research into various "mysteries" of national mentality. Moreover, it met the requirements of the ruling elite who wanted to fortify the "national spirit" and the people's belief in their own "exclusiveness", a belief seriously undermined by the defeat of Japanese militarism. Publications of this type appeared in Japan throughout the 1960s and the 1970s and abounded in discourses on the actual and invented difference between the Japanese and other nations of the world. An example is a book sensationaly titled *The Japanese and the Jews* and written by an anonymous author (or a group of authors) who used the pen-name of Izaya Ben Dasan. The message of the book which was soon published in the US, centred around a far-fetched and dubious assertion that the Japanese and the Jews were diametrically opposite nationalities. It went on to say that any comparison drawn between these two helped to better understand the "unique" characteristics of the Japanese.<sup>4</sup> The publication of this book gave rise in Japan to a series of "responses" in the form of articles and books with a host of further quests into the "mysteries of the Japanese soul".<sup>5</sup>

<sup>1</sup> See Yuji Aida, *The Structure of Japanese Mentality*, Tokyo 1974, pp. 63, 116-120.

<sup>2</sup> *Ibid.*, p. 100.

<sup>3</sup> *Japan Today, 1985*, Tokyo, 1985, p. 5.

<sup>4</sup> See Izaya Ben Dasan, *Nihonjin to Yudayajin*, Tokyo, 1970.

<sup>5</sup> The voluminous *Structure of the Japanese Spirit*, written by Prof. Katsumi Takizawa and published in 1973, is an example of those "responses" (See Katsumi Takizawa, *Nihonjin no seysin kojo*, Tokyo, 1973).

This liking of Japanese authors for reasoning on the uniqueness of Japanese culture and the Japanese soul has even evoked irony among those studying Japan in other countries. For example US Prof. Harumi Befu of Stanford University, recently wrote that "Japanese are fond of activity claiming their cultural uniqueness. They may not all agree on the specific contents of their unique culture and some may not even be aware of what these uniquenesses are. But their fondness of talking about their uniqueness, whatever the substance of the claimed uniqueness might be, is so widespread and firmly established that one may even characterise this fondness as a national sport."<sup>6</sup>

There is something else that catches the eye in the Japanological books and articles written by Japanese authors in the past fifteen years: namely, that self-praise is becoming ever more pronounced in their discourses on the "uniqueness" of the Japanese and their culture. A certain national superiority is being intimated ever more frequently, together with the idea of Japan's superiority over other countries.

Japan's indisputable economic, scientific and technological achievements of today have promoted a similar haughty mood in the Japanese journalistic, scientific and literary community. Citing those achievements, the nationalistically-minded statesmen, diplomats and professors are ever more frequently trying to present them in their statements, articles and books as the result of the centuries-long "unique" development of the country's culture and as the result of some special merits of the nation. They see Japanese economic, scientific and technological accomplishments as a manifestation of their superiority over other peoples and their cultures, and even as evidence of the fact that Japan is destined to have some special historical mission. Dr. Tadao Umesao, one of the proponents of modern Japanism from the National Museum of Ethnology in Osaka, made a characteristic statement that the world significance of the Japanese achievements today was already such that the concept of "Japanese culture" (*nihon bunka*) should be replaced by the concept of "Japanese civilisation" (*nihon bummei*). Speaking of the modern Japanese civilisation, writes Umesao, "it is impossible to ignore the gigantic scientific technology which Japan has mastered... I do think Japan is a fascinating civilisation with various special qualities and propose that we do comparative studies with other civilisations and clarity at least to some extent the meaning of Japanese civilisation within the history of the human race... Japan embraces the most advanced technology on the earth and this alone makes Japanese civilisation very difficult to handle. Japanese civilisation is not a subject which can be built with adequacy within the traditional Eurocenter theories of civilisation."<sup>7</sup>

The same smug claims to Japan's superiority are also present in the previously-mentioned booklet *Japan Today, 1985* by the Ministry of Foreign Affairs. It straightforwardly declares that "Japan has been called the world's most rapidly changing society. History and tradition have actually stimulated change in Japan in a manner perhaps unknown in other nations of the world."<sup>8</sup>

Ambitions in the upper echelons of Japanese society were fuelled to a large extent by two books produced by American academics. One of them, *The Rise of Japanese Superpower*, was written by well-known futurologist Herman Kahn, director of Hudson Institute and the other, *Japan as a Power No. 1*, by Prof. Ezra Vogel of Harvard University. In focusing on Japanese achievements in economic, scientific and technological development and predicting, at times without any special

<sup>6</sup> *Senri Ethnological Studies, Japanese Civilisation in the Modern World*, Ed. by Tadao Umesao, Harumi Befu, Josef Kreiner, National Museum of Ethnology, 1984, p. 68.

<sup>7</sup> *Op. cit.*, pp. 7-13.

<sup>8</sup> *Japan Today, 1985*, p. 5.

grounds, its further impressive successes, the authors were guided by the desire to raise apprehensions and to alert the American public, to draw its attention to the danger of US business lagging behind Japanese companies in their rivalry. Their books, however, evoked interest not so much among Americans themselves as among the Japanese. Prof. Vogel's book was translated into Japanese and published in Japan in an edition of over 300,000 copies. The obvious reason was that the advocates of the "unique Japanese spirit" presented the book to the Japanese public as an authoritative confirmation by foreign scholars of the correctness of their theories of Japan's "special" historical mission. To this day, both books are used by the Japanese nationalists as an important vehicle for disseminating among the Japanese ideas that Japan has everything of the best in the world and that the Japanese themselves are superior beings.

As a result of the propaganda fanned by the nationalistic conservatives, certain sections of Japanese society nurture not patriotic but rather nationalistic sentiment underpinned by conceit towards other nations and nationalities. This was reflected in the opinion polls conducted in the late 1960s and the early 1970s. We can cite, for instance, the data of the 1973 poll. Event then, in answering the question whether the Japanese are superior or inferior to the Europeans, 38 per cent said that the "Japanese were superior" and 9 per cent that they "were inferior".<sup>9</sup>

Later opinion polls also attest to growing nationalistic sentiment among Japanese citizens, as is exemplified by the results of the polls carried out by the NHK radio corporation in 1978 and 1983. In particular, one of the questions was whether the Japanese are qualitatively superior to other nationalities. In 1978, 64.8 per cent of those polled answered in the affirmative and in 1983 the corresponding figure grew to 70.6 per cent.<sup>10</sup>

Even their American friends are now becoming touchy about the Japanese nationalists' conceit. In 1985 aforementioned Prof. Vogel published another book in the USA under the title *Comeback. Case by Case: Building the Resurgence of American Business*. In it he wrote: "Like generations of Westerners who saw technology as a proof of moral superiority many Japanese see their success as a sign of superior moral worth. They see Americans as lazy whereas Japanese are diligent, Americans as short-tempered and short-sighted whereas Japanese are patient and persistent, Americans as contentious whereas Japanese find ways to cooperate, Americans are self-centred, even selfish, while Japanese are considerate of other people. Americans are complacent, while Japanese are willing to learn and to adjust; Americans are careless and sloppy, while Japanese are careful and attentive to detail. Americans give up easily and then complain while Japanese keep trying."<sup>11</sup>

The attitude of the ideologists of "Japanism" to other peoples pushes some of them towards chauvinism—in their writings they often whip up disrespect and nasty feelings among their compatriots towards foreigners. The Soviet Union is the most frequent target of their hostile sallies. An eloquent example is the publication under the telltale title: *Why the Japanese Don't Like the Soviet Union*.<sup>12</sup> Another example of the deliberate sowing of enmity towards the Soviet Union and its people

<sup>9</sup> See *Nihonjin kenkyū* ("Studying the Japanese"). *Nihonjin kenkyukai* No. 1; "Has the Japanese Soul Changed?" Tokyo, 1974, p. 34.

<sup>10</sup> See Soeda Yoshiya, "The Self-Portrait of a Japanese", *NHK Shimin Daigaku*, October-December 1985, p. 103.

<sup>11</sup> Ezra F. Vogel, *Comeback. Case by Case: Building the Resurgence of American Business*, New York, 1985, p. 16.

<sup>12</sup> See Hayao Shimizu. *Why the Japanese Don't Like the Soviet Union*, Tokyo, 1979 (in Japanese).

among the Japanese is the book *The Soviet Union Doesn't Touch the Powerful* written by Prof. Kenichi Ito, a belligerent nationalist from Aoyama Gakuin University. He falsifies the whole of Russian history and denigrates the Russian people as the savage antipodes to the noble, magnanimous and morally refined Japanese, and as a base people devoid of morality and respecting only force. "This worship of force," the chauvinist writes, "is in fact rooted in the national characteristics of the Russian people. As I have already mentioned above, one of the national traits of the Russians is that they 'don't touch the strong ones'. This trait stems from the very character of the Russians as a forest people. This life principle reflects the ideology 'when hiding, hide under a big tree', produced by the life experience of the forest people. Their way of thinking is diametrically opposite to the spiritual make-up of the Japanese, which rests on principles such as 'those who are unable to appreciate beauty are not capable of brave acts' and 'help the weak ones, crush the strong ones'.<sup>13</sup> Such are the chauvinistic concoctions arising from what may seem to be politically neutral expatiations by the nationalists on the "unique" attributes of the "Japanese soul".

Noteworthy in this respect are the attempts to explain Japan's military successes in the past by the "uniqueness of Japanese culture". Aforementioned Tadao Umesao, for instance, wrote when speaking about Japan's victory in the Russo-Japanese war that while asking why Japan defeated Russia in that war "it is impossible to answer with reference only to Japanese civilisation at that point in time. A background of historical development over several hundred years—even dating as far back as the Ritsuryo period [the name is used to denote the period from A. D. 645 to 1185.—Auth.]—of the system of Japanese civilisation was vital in Japanese victory in the Russo-Japanese war."<sup>14</sup> As is seen, the idea of the "uniqueness of Japanese culture" also contains the baneful seeds of the militarist ideology of the past.

Far from all foreign scholars, however, see the latent reactionary meaning of the nationalists' arguments on the "beauty of the Japanese soul". Some of them, especially those who confine themselves to studying Japanese belles-lettres take all those arguments for granted. Among those gullible readers of "Japanological" literature is, for example, Soviet scholar T. P. Grigoryeva. In my opinion, she is excessively enthusiastic in her books and articles about some "special" features of the "Japanese soul". Uncritically echoing Japanese nationalists, T. P. Grigoryeva also borrows their major thesis that the main reason behind Japan's present-day economic, scientific and technological accomplishments is nothing less than those special merits of the Japanese national character and the uniqueness of the "Japanese soul". This concept accounts for the following remarks made by T. P. Grigoryeva: "A sense of duty characteristic of the Japanese cannot but evoke respect; it is their sense of duty that ensured to a considerable extent their successes."<sup>15</sup>

Can one unconditionally accept the theory that today's accomplishments of Japan in the economy, science and technology were produced by the national "spirit" alone or that they can be explained merely by 200-year or even millennium-long cultural traditions? I think not.

Research undertaken by Soviet economists, sociologists and historians as well as by many foreign scholars unambiguously shows that high production growth rates observed in Japan in the 1960s and the 1970s

<sup>13</sup> Kenichi Ito, *The Soviet Union Doesn't Touch the Powerful*, Tokyo, 1982, p. 143 (in Japanese).

<sup>14</sup> *Senri Ethnological Studies. Japanese Civilisation in the Modern World*, p. 15.

<sup>15</sup> T. P. Grigoryeva, *Twentieth Century Japanese Literature*, Moscow, 1984, p. 112 (in Russian).

and other achievements in the services, science and technology resulted from a lucky coincidence of a number of favourable factors.

Postwar democratic reforms carried out in the country under pressure from the international democratic public and progressive forces laid the foundations for Japan's successful economic, technical and cultural development in the past few decades. They put an end to many a mediaeval prejudice in everyday life, culture and ideology, which in the past were exploited by the Japanese nationalists in their campaigns to strengthen the "Japanese national spirit". The reforms seriously weakened the hold of all sorts of religions and philosophies over the population, be it Shintoism, Zen doctrines, Confucianism or the cult of the emperor, all of which were spread throughout the country with the aim of imposing the so-called Japanese ideology—the notorious Yamato spirit (Yamato damashii). Owing to those reforms the Japanese managed to shed the nationalistic spell held over them by their fascist dictators. It was not the time-honoured national traditions and singularities of the "Japanese spirit" but, on the contrary, the downfall of many of them, the renunciation by the majority of the Japanese of the belief in their national exclusiveness, and the profound changes in their life, culture and ideology that became an important prerequisite for the country's present-day accomplishments.

Also directly linked with the postwar reforms was the fact that in the past decades the share of military spending in Japan's state budget, as well as in relation to the country's GNP, was much smaller than it was in other developed countries. This enabled the ruling class to concentrate resources on the rapid development of civilian production and services. Japanese economic growth rates were also boosted by foreign economic and technological aid, which had to do with the desire of the US ruling elite and the NATO countries to have Japan as an ally in their cold war against the Soviet Union. Japanese companies, given time to gain their strength, enjoyed all sorts of privileges in the USA and Western Europe and received broad access to technological data. Using hundreds of scientific and technological agreements with American and West European companies and research centres, Japanese businessmen skimmed the cream of scientific and technological progress of the entire capitalist world. Furthermore, Japanese government offices gave the entrepreneurs by far greater financial and administrative support than did the corresponding agencies in other developed capitalist countries.

Other significant factors also contributed to Japan's successful economic development. Among them were the apt use of low prices in the world on imported raw materials and fuel by businessmen, their emphasis on the priority development of science-intensive sectors in view of the comparatively high educational level of the population and the staunch protectionist policy pursued by the ruling elite to prevent the invasion of the country's domestic market by foreign rivals. We should also take into consideration the fact that the initial basis of fast growth rates of Japanese production was a low, compared to other developed countries, level of wages. That factor operated at least throughout the 1950s and the 1960s and to a certain extent is still felt at the country's small- and medium-size enterprises today, even though Japan is now ahead of Italy and Britain as far as average wages are concerned and only slightly behind West Germany and France. In addition, average working hours in Japan still exceed those in other developed countries, including the USA and Western Europe. To this day almost half the enterprises, primarily small- and medium-sized, work six rather than five days a week, with their working day often going well beyond eight hours.

Of course, there is no denying the fact that Japan's economic development rates and scientific and technological progress are in some measure

positively affected by the high business qualities of the Japanese shop-floor and office workers, peasants and managers, in particular, their diligence, conscientiousness and sense of personal responsibility. However, the effect of this should not be exaggerated and even less so should it be used as the explanation to everything. This would only be echoing the Japanese nationalists who tend to focus exclusively on some "unique" and inimitable high-level moral standards of the Japanese.

It should also be borne in mind that Japan's speedy scientific and technological progress had quite a few drawbacks, such as the despoiling of nature, environmental pollution around the industrial centres, unrestrained land speculation and soaring prices on land, high cost of rent and buildings, overcrowding, meagre housing amenities for the majority of the population, high prices of foodstuffs and many other goods, low level of social benefits, extremely high cost of education, health care and public services, low pensions and mass unemployment. All of the above-mentioned negative phenomena remain an inherent part of the life of modern Japanese society. This considerably belies the claim that modern Japan spearheads human progress. The negative aspects of this "leadership" are too tangible to be disregarded.

The striving of the advocates of "Japanism" to impose upon the public a patently glossed-over idea of Japan as a "leader of world progress" and the Japanese as some "supernation" cannot, of course, simply be viewed as some spontaneous activity of certain representatives of the Japanese literary and scholarly community. Facts show that "Japanism" as nationalistic ideology is cultivated in every way by the more influential circles of Japanese society, including the leaders of government and the ruling Liberal Democratic Party, and also by the bureaucratic elements close to the government. The activity of the nationalistic Japanologists is subsidised by the Liberal Democratic government and considerable efforts are also made to involve in "Japanological" research those foreign scholars who show an idealistic approach towards Japanese culture. After all, their recognition of the "unique merits" of the Japanese is bound to impress both the Japanese and the world public much more than similar pronouncements uttered by the Japanese themselves, who could easily be accused of being biased. Beginning in the early 1970s, the Japanese government instituted a special fund for Japanological studies abroad. Quite a few Japanologists abroad, especially in the USA and Western Europe, make use of this fund's finances.

In the past few years the Nakasone government has been showing special concern for advertising the "Japanese way of life". *Asahi Evening News* carried fascinating information in this respect on March 28, 1985. It reported, among other things, that "Prime Minister Yasuhiro Nakasone has decided to establish National Japan Culture Research Institute which will aim at establishing 'Japanology' and clarifying the position of traditional Japanese culture from the international standpoint."<sup>16</sup> According to the report, the decision came after meetings between Nakasone, Minister of Education Hikary Matsunaga and Liberal Democratic leaders, on the one hand, and a group of Japanese scholars, on the other. The group of scholars was headed by Takeshi Umebara, president of the Kyoto City College of Fine Arts, who had worked out the structure and tasks of the above-mentioned Institute. It is planned to attract both Japanese and foreign experts in Japanese culture to work at the Institute. In 1985 alone, 20 million yen were appropriated from the government budget to draw up the plans for the Institute. The newspaper editors announced that the Prime Minister "...approved the plan because he has realised through experience, including the summit meetings, the

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<sup>16</sup> *Asahi Evening News*, March 28, 1985.

need for establishing 'the Japanology' to explain that traditional Japanese culture is behind Japan's rise in economic strength."<sup>17</sup>

The spurious, reactionary and nationalistic nature of the course being pursued by the Japanese ruling elite which is geared to adulating Japanese culture and the Japanese as a nation is felt acutely nowadays by progressive Japanese scholars who adhere to the class, Marxist understanding of social phenomena. One of them, Prof. Ko Masujima, wrote the following in his book *The Structure of Ideology of Modern Japan*, published in Tokyo in 1982: "To strengthen anew Japanese imperialism and to ensure its world supremacy, it is necessary to instill among the people the awareness that Japan and the Japanese, the Japanese nation and the Japanese spirit have independent development and supremacy over the others... The 'miraculous' forcible growth of Japanese capitalism [what is meant here is the spurred growth of the Japanese economy in the 1960s.—Auth.] is portrayed as engendered by the Japanese singularity... The 'theory of the Japanese' and the 'theory of Japanese culture' permeated by ultra-nationalistic ideology are gaining wide currency today. The views that we call today the 'theory of Japanese culture' came to life way back in the prewar period. The 'theory of Japanese culture' resting on the concepts of 'Japanese-type collectivism', the community of culture and spiritual make-up' and the 'understanding of beauty as a point of departure in value judgements' was worked out in the period from 1910 to 1920 when the allround crisis of Japanese capitalism deepened and was subsequently used to the utmost extent to involve the Japanese people in fascist policy and wars of aggression. Naturally, today the 'theory of Japanese culture' is not merely a repetition of what was written in the prewar period. Today it is meant to be adapted to the new situation which took shape under the impact of factors, such as the defeat of the absolutist emperor's power, the elimination of the semi-feudal system of land ownership, the development of postwar democracy, the forcible growth of the Japanese capitalist economy and also Japan's growth in the system of international relations and its dependence upon the USA. This is precisely the essence of the activity of the Society for the Study of Politics, an influential organisation formed by the late Prime Minister Ohira to examine 'specific singularities of Japanese culture'. Just like the spurious 'theory of postwar democracy', the 'theory of Japanese culture' is designed to play an important role in whipping up nationalistic sentiment among the people and drawing them into the nationalistic policy."<sup>18</sup>

Nationalistic expatiations on the "uniqueness" of Japanese culture and the supremacy of the Japanese as a nation have nothing in common with the respectful and benevolent attitude to any nation in the world, the idea underlying Marxist ideology, the ideology advocating equality and brotherhood among the world's nations and opposing any nation's conceit towards another nation. The views of the champions of "Japanism" who tend to think that everything Japanese is the best in the world are fallacious because they are at odds with reality, lead the Japanese to self-alienation and sow distrust and caution toward Japan among other nations. The military fiasco suffered by Japanese imperialism during the Second World War reveals the abyss in which the country may find itself if similar views form the basis of its state policy. The present-day advocates of "Japanism" should not forget the lessons of history.

<sup>17</sup> *Ibidem*.

<sup>18</sup> Masujima Ko, *The Structure of Ideology of Modern Japan*, Tokyo, 1982, pp. 49-51.

ASEAN: PROBLEMS OF PACIFIC COOPERATION, POSSIBLE SOLUTIONS

Moscow FAR EASTERN AFFAIRS in English No 2, 1987 pp 33-42

[Article by E.S. Grebenschchikov, candidate of historical sciences: "ASEAN and Questions of Pacific Cooperation"]

**S**tarting with the late 1970s the ruling circles of the leading capitalist countries are banking on ASEAN, the Association of Southeast Asian Nations, consisting of Indonesia, Malaysia, Singapore, Thailand, the Philippines and Brunei. The Western propaganda machine presents the Association as a sort of "model" grouping of developing countries that heed the recommendations of bourgeois economists and experts from the World Bank and the International Monetary Fund, and therefore achieve certain results.

Lately the imperialist circles have doubled their efforts to turn ASEAN into a reliable link of the West's strategic system in the Pacific region. Today in Washington, Tokyo and some other capitals of developed capitalist countries ASEAN is being regarded as one of the pillars of the projected "Pacific Community." It must be said that in all the variants of this plan ASEAN was an indispensable participant. It was already late in 1979 that the Japanese Foreign Minister Okita Saburo, who was very active in pushing through the idea of this community, said that "if the ASEAN countries are not very much in favour of the idea, then it [the community—E.G.] will not materialise".<sup>1</sup>

Yet to this day the ASEAN countries as a whole have responded to this concept with scepticism, wariness and even suspicion. For the very appearance of this Association on the political map of Asia mirrored the striving of the developing member-countries toward cooperation based on principles differing from those regulating their relations with the former metropolitan countries. ASEAN, still in the process of development and yet insufficiently strong, was obviously threatened by becoming dissolved in the trans-Pacific formation in which the US and Japan would be sure to seize dominant positions.

As an organisation wishing to have a voice of its own in the international arena, ASEAN clearly would not be able to exist inside such a community. The government and public circles in ASEAN countries have feared (and these fears remain to this day) that the worst features of the Western policy of blocs would be reproduced in the Pacific Community on a new, broader basis and have the most baleful consequences for Southeast Asia. These, I believe, are the most frequently mentioned arguments in ASEAN against membership in the community, the arguments which nobody has yet disproved.

<sup>1</sup> *Far Eastern Economic Review*, Dec. 12, 1979, p. 11.

While the negative aspects of a Pacific Community are obvious to the ASEAN countries, the possible advantages of such membership (if any) are quite vague. The cool attitude in countries of the Association (and such was the dominant mood) to the pan-Pacific idea stands to logic and is explainable. But at the same time one should remember that the factors that influenced the formulation of ASEAN's policy were varied. The multi-faceted dependence on the imperialist centres and the influence of extreme right-wing elements in the ruling upper crust blinded by anti-communist prejudices and stereotypes made themselves felt. Also, hopes were expressed that when forming the new Pacific Community the US and Japan would "take into consideration" the wishes of their "true friends" in Southeast Asia. So the statements on this subject, made by representatives of the Association, bore the stamp of duplicity and contradiction.

For instance, the Indonesian researcher Hadi Soesastro wrote that the caution shown by ASEAN "should not be interpreted as rejection: in light of the broadness and level of abstraction of the Pacific Community so far, bureaucracies of ASEAN cannot be expected to commit themselves". But then he became more specific and wrote, "It is almost sure that ASEAN could not easily be invited to enter into a process of middle-through" and "support this adventure."<sup>2</sup>

Firm objections, doubts, reservations and cautious interest—such is the range of response in the ASEAN countries to the pan-Pacific initiatives.

Relying on its increased economic potential, long-standing national traditions and Indonesia's favourable geographic location, its leadership obviously intends to have its own say in world politics and suggest its own approaches to the problems of Southeast Asia and the Pacific. But this is extremely difficult to achieve, being a member of an organisation headed and directed by the US and Japan.

Malaysia, which is also a member of the nonaligned movement, has important considerations of prestige pegged to its proposal made early in the 1970s to proclaim Southeast Asia a zone of peace, freedom and neutrality (ZOPFAN). A community with the participation of ASEAN will not only create additional obstacles to attaining this aim, but will actually make it necessary to shelve it. The idea of creating the Pacific Community is directed at recognising the military superiority and control of the United States, a seminar at the University of Indonesia late in 1983 was told by the Indonesian researcher Burhan Magenda. It deprives the ZOPFAN concept of all meaning, he added.

The circles determining the foreign policy course of the ASEAN countries are concerned by the fact that all the most probable members of the Community belong to military blocs and groupings headed by the US.

The governments, trade and industrial circles of Thailand and Singapore proceed from somewhat different precepts and values. There are considerable forces in Bangkok coming out for strengthening the military and political partnership with the United States, and for this reason showing greater loyalty to the idea of the Pacific Community.

Singapore's specific place as a regional centre of brokerage operations deeply integrated in the world capitalist economy, as well as its role of a partner of transnational corporations exploiting the less developed Southeast Asian countries, determine the city-state's greater interest, as compared to its ASEAN partners, in promoting the concept of the Pacific Community.

At the same time both Thailand and Singapore realise well that participation in the Pacific Community would undoubtedly entail losses that

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<sup>2</sup> *Asian Perspective*, Vol. 5, No. 1, 1981, p. 14.

cannot be precisely estimated in view of the complexity of the issue. As to the Philippines, it keeps to a middle-of-the-road stand on this matter in ASEAN while Brunei is not showing any noticeable interest at all.

Right up to 1978 the government circles of the ASEAN countries did not impart much importance to the concepts of Pacific cooperation, regarding them to be purely academic.<sup>3</sup> The proposals to create a free-trade zone and Organisation of trade and development for Pacific states were ignored. Proceeding from the unofficial origin of the proposals, the countries deemed an answer unnecessary; besides, their purpose to promote the interests of highly developed states was too obvious.

The concept of the Pacific Community gained much weight in the eyes of the ASEAN leaders when it was vigorously supported in 1978 by the Prime Minister of Japan Ohira. But the fact that, to promote these ideas, he first of all contacted Australia, caused wariness in the ASEAN countries which did not want ready recipes to be offered and, the less so, imposed on them.

Nevertheless, the Association members gradually recognised the need for a detailed discussion of all the problems related to setting up Pacific cooperation. During his visit to Japan in February 1980 the Deputy Prime Minister of Singapore Go Keng Swi noted that the ASEAN countries had begun studying the concept of the Pacific Community, but each by itself. Representatives of the ASEAN countries took part in a series of functions organised for this purpose by their "Pacific dialogue" partners, including the seminar held in Canberra by the Australian National University in September 1980. This seminar evoked widespread response; moreover, a conference was organised in Jakarta in January 1980 by the Indonesian Centre of Strategic and International Studies, in which high-ranking officials from the ASEAN countries took an active part. The speakers pointed out the need of a "patient and unhurried discussion of the matter in the spirit of Oriental traditions". The tone of the conference was mostly set by Mahathir Mohamad, the then Deputy Prime Minister of Malaysia, who stated: "A day-to-day endeavour to understand one another, rather than an all-embracing economic plan or some rigid formula of cooperation should be the first step towards a Pacific Community." Later on a small research group was formed under the Centre of Strategic and International Studies, with the purpose of investigating the "problems, costs and advantages of Pacific cooperation".

In mid-1981 this group presented its recommendations. On the whole it approved the idea to form a Pacific non-structural, non-governmental organisation which, in the opinion of the experts, would enable the ASEAN countries to avoid undesirable political consequences. This organisation could be joined by representatives of business, academic and government circles (the "tripartite" principle). The research group said it was desirable for the community concept to be given official consideration by foreign ministers and ministers of economy of the ASEAN countries. It also suggested the establishment of a special ASEAN body to make an indepth and coordinated study of the concept and to acquaint the general public with it. The appropriate committee was set up in Thailand; its activities are financed by the major research organisations of the ASEAN countries.

Simultaneously experts from a number of countries, including from all members of the Association, carried out a research project "ASEAN

<sup>3</sup> For more details see A. Bogomolov, "Ideas of Pacific Cooperation: Evolution", *Far Eastern Affairs*, 1987, No. 1.

and Pacific Economic Cooperation", in the framework of ESCAP. The final document was discussed in June 1982 in Bangkok, at a conference on Pacific economic cooperation presided by the Deputy Prime Minister of Thailand Thanat Khoman, head of the national Pacific Committee; besides the ASEAN countries the conference was attended by delegations from the US, Australia, Canada, Japan, New Zealand and also observers from various international organisations. It was decided to form four working groups on questions of regional trade in manufactures, agricultural and mineral raw materials, on foreign investments and the transfer of technology. The next conference on Pacific economic cooperation was held in Bali Island (Indonesia) in November 1983. It summed up what the working groups did and outlined further activities in this field.

The fourth conference (after those in Canberra, Bangkok and Bali) was held in Seoul from April 29 to May 1, 1985. In addition to South Korea, its participants included delegations of the six ASEAN members and five developed capitalist states (the US, Australia, Canada, Japan and New Zealand) as well as of Papua-New Guinea and the Solomon Islands. The ASEAN countries were represented by deputy foreign ministers or assistants of foreign ministers. In an interview with *Merdeka*, Ferdi Salim, Assistant to the Indonesian Foreign Minister, explained that his country was taking part in these forums unofficially, in order to keep abreast of events and obtain information on the spheres of possible cooperation with Pacific countries. The conference heard and discussed reports on trade, capital investment, fishing, forestry and on the use of replenishable natural resources, drawn up by working groups on assignment of the previous, Bali conference.

It was not the conferences on Pacific economic cooperation, however, that were the instrument for involving ASEAN into imperialist strategy aimed at creating a pan-Pacific anti-Soviet and anti-socialist alliance. The West began to pin its biggest hopes on the meetings of the foreign ministers of 11 countries ("Six plus Five"), held annually, since 1980, immediately after the ASEAN foreign ministers' annual conferences.

Western researchers are prone to view these forums as the initial stage, an actually existing basis or a prototype of the Pacific Community. "The five advanced nations [USA, Japan, Canada, Australia, New Zealand—*E. G.*], might be expected to take the initiative, but that could prove intimidating to some of the likely participants," wrote one of the most prominent promoters of this project, K. Kojima.<sup>4</sup> What is the alternative? At the first stage, the author wrote, it is necessary to institute a forum of 10-11 participants: five [at the time. *E. G.*] ASEAN countries, five of their partners in the dialogue, plus South Korea. When the mechanism of this forum is started, it could be joined by other countries of the region, and this will go on till its turning into an all-embracing regional organisation. Should this scenario fail, for some reason, there is a reserve version: the creation of a network of organisations modelled after the ASEAN-Pacific forum with the highly developed Five as a nucleus. According to the author's logic, however, for this purpose the expanded meetings of ASEAN foreign ministers must be made attractive for other potential members of the community, a model of cooperation between developed and developing countries.

The granting of additional aid to the ASEAN countries, large capital investments in their economy, the opening of markets for ASEAN commodities, all these and similar measures, taken together, are to lead, as Kojima assures, to an accelerated development of the ASEAN countries and their swift transition into the category of industrialised ones, this ensuring them "equality" in relations with the latter. But what magic can

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\* *Asia Pacific Community*, Spring, 1981, p. 3.

produce such impressive results? A "regional-multilateral approach", it turns out, in other words, a common trade and economic policy of the West vis-à-vis ASEAN.<sup>5</sup>

Success and welfare are lavishly promised to all the participants in the Pacific Community. The ASEAN countries, in their turn, must certainly become partners of imperialist powers in luring other developing countries into the nets of the Pacific organisation. But hardly anyone is so naive in ASEAN as to expect that highly industrialised capitalist countries would radically revise their former discriminatory, restrictive practice in trade-and-economic ties with the newly-independent countries.

Japan is ASEAN's Number One trade and economic partner, and for this reason problems hindering their mutual ties are most acute for the countries of the Six. Scathing criticism of Japan by the government and public circles of the non-socialist countries of Southeast Asia is commonplace, it invariably accompanies Japan's growing infiltration of the region. The grouping's economic exchange with other capitalist powers is also enduring growing friction.

In their attempts to neutralise criticism of the West, the lobbyists of the Pacific Community, both inside ASEAN and beyond it, are insisting on the membership in the Community being almost a guarantee of the economic security for the Six that will give them broad access to high technology, credits, markets, etc. Should a sharp economic crisis occur, like the one experienced by the Philippines, for example, they can firmly count on "emergency aid" from the senior partners.

The Six are tempted by all sorts of boons in the event of consent to join the Community. It is symptomatic that the numerous offers to the ASEAN countries emanate usually from journalists and the academic community, rather than from government circles that have the necessary powers. At the same time, those who are busy creating the super bloc (no matter how it is called) are bent on using financial and economic levers and considering their own advantages first, instead of the interests of developing countries.

Statistics show that eight countries and territories of the Pacific basin—the US, Japan, Canada, Australia, New Zealand as well as South Korea, Hong Kong and Taiwan—account roughly for two-thirds of the gross foreign trade turnover of the ASEAN countries. Moreover, the first two of them account for almost half of all the export and import operations of the Six. The share of the Pacific component in the entire volume of foreign investments ranges from 57.7 per cent in the case of Indonesia to 82.2 per cent in the case of Thailand.<sup>6</sup> The apologists of imperialist policy make extensive use of these figures to prove the "growing interdependence" of the countries of this part of the world, the need and even "inevitability" of ASEAN joining some integrated Pacific structure. In those countries of the Association where such "determinism" is rejected, reality makes it necessary to uphold other views. It is by far not in all ASEAN countries that the term "interdependence" is accepted, because it is thought to camouflage a very real and many-sided dependence of the region's developing countries on more developed ones.

It is also doubtful that the Community, whatever its modification, will help the members of the Association soften the blows dealt them by the upheavals of the world capitalist market. On the contrary, being deprived or seriously limited in their freedom of manoeuvre, confined to their traditional partners, the ASEAN countries will become even more vulnerable to the crisis phenomena in the economy of the main capitalist powers.

Yet attempts are being made to convince the Six that relations between

<sup>5</sup> *Ibid.*, pp. 3-6.

<sup>6</sup> *ASEAN and Pacific Cooperation ("Development Papers")*, Bangkok, No. 2, 1983.

the members of the Community will be based on the same principles as, say, within ASEAN. Publications by bourgeois authors reveal a tendency to portray the would-be community as an organisation pursuing the same aims as were proclaimed during the setting up of ASEAN, but on a grander scale. References to the arbitrarily interpreted experience of the Association's development are made, in an attempt to portray plans of imperialism's strategists more appealing to countries that have freed themselves from colonial and semi-colonial dependence.

This experience has both positive and negative aspects.

On the credit side of the Association is the resistance of the leaders of its member-countries to the pressure put on them to transform ASEAN into a military or military-political alliance. This policy has been adhered to, more or less consistently, for almost twenty years, which fact refutes the contentions that the integration process under way in ASEAN, by virtue of its inherent logic, should fully encompass the military sphere as well. It appears highly doubtful that both economic and military cooperation could successfully develop among the Association members.

It is also of fundamental importance that united within ASEAN are the countries which have in many ways similar problems and are at roughly similar levels of development (especially if we take the most populous of them—Indonesia, the Philippines, Thailand and Malaysia). This cannot be said about the other potential members of the Pacific Community. The political ambitions of the young independent countries and the highly developed capitalist states are far from being compatible.

So until recently the wait-and-see and, more often, negative attitude of ASEAN's countries was the main obstacle to the creation of the Pacific superbloc. So the masterminds of the imperialist policy had to both step up their efforts and change their approach. They drastically intensified the persistence with which they accentuated ASEAN's "decisive role" in creating the community, determining its forms, structure, etc. "The creation of the system of Pacific cooperation should proceed exclusively on the initiative of ASEAN and in accordance with its wishes", said Yasuhiro Nakasone. Early in 1985, he proposed to launch cooperation "on the private level". In this way Tokyo decided to display "magnanimity and pliability". But in the same stride the Prime Minister made a very eloquent reservation by remarking that in any case Japan and the United States would want to retain the role of "invisible puppeteers".

Remembering the slip made by his predecessor Masayoshi Ohira (which was mentioned above), Nakasone, while visiting Australia in January 1985, again emphasised that "the role of the more developed countries will be to take an allround account of the initiatives of other states", primarily the ASEAN countries. The United States and Japan, he went on, are not going to claim leadership but will give financial and technical assistance to fulfil the Pacific projects.

The already mentioned Hadi Soesastro wrote that such an "attention" caused "mixed feelings" in the ASEAN countries. "It was flattering, suggesting ASEAN's importance to its Pacific neighbours, but at the same time it placed uncomfortable pressures upon ASEAN."<sup>7</sup> In other words, the Association was being persuaded not only to consent to alien concepts but also to undertake their implementation under the "coaching" of senior partners.

The ASEAN countries formulated their counter-proposal in a general form by the middle of 1984. The draft plan of utilising manpower resour-

<sup>7</sup> *Development Papers*, 1983, No. 2, p. 299.

ces, training personnel and of cultural exchanges in the Pacific Basin area was approved in principle at the July 1984 joint conference of the foreign ministers of 11 countries (six ASEAN members as well as the United States, Japan, Canada, Australia and New Zealand). Indonesia, the author of the idea, was charged with the task of coordinating efforts to fulfil the draft plan. The participants in the conference also approved a list of institutions and agencies that were to put the programmes into life. Commenting on the results of the Jakarta conference *Newsweek* wrote that after many years of probing the idea of extensive regional cooperation the ASEAN foreign ministers have at long last got down to business.<sup>8</sup>

The West hastened to view the July conference as a sign of a major or even irrevocable shift in ASEAN's stand. But that was merely wishful thinking. The Association members put forth not a ready plan, thought out in detail and geared to the future, but a general idea of cooperation in a single and, moreover, "non-political" field.

The decisions of the extended conference of the foreign ministers of the Six were widely commented in the capitals of the ASEAN countries as well, but from a different angle and with significant remarks. An editorial article published on July 18, 1984 in an influential newspaper the *Indonesia Times* was indicative in this respect. ASEAN has entered an important phase of development, it said. The Association and the Five have agreed to start cooperation beginning with a concrete programme of developing manpower resources. But in conclusion the paper voiced concern that in view of the non-participation of socialist countries (the USSR and Vietnam) ASEAN and especially Indonesia are at risk of ultimately "finding themselves on the side of the Western bloc against the Eastern one, this obviously contradicting Indonesia's policy of nonalignment."

At a regular conference of the ASEAN foreign ministers in July 1985 (Kuala Lumpur) the heads of delegations put the final seal of approval to the plan of developing manpower resources. The joint communique on this issue reads: emphasising ASEAN's efforts to further strengthen cooperation within the Association and confirming the resolve to exploit respective existing mechanism and not to create any new institutions, foreign ministers have decided to implement the programme "ASEAN—the Pacific Basin. Development of Manpower Resources". In this connection it was intended to carry out 31 concrete measures. Malaysian officials, however, made a special reservation reading that the implementation of the project will founder if it brings about greater dependence of the ASEAN countries, and a deformation of its proclaimed aims of accelerating socio-economic development, etc.

Japan was especially active in the period since the Jakarta 1984 meeting of foreign ministers. In September 1985, Tokyo announced that starting with 1986 it would allocate \$100 million to assist in the training of skilled personnel for the ASEAN countries in the field of irrigation, air and sea transport, and the development of infrastructure. Japan's Ministry of Labour decided to train specialists for the ASEAN countries, granting them 30 per cent of the quota assigned for the developing countries. Aid will be given by sending specialists, paying the transport fares of trainees and providing consultations in the field of designing.

A symposium devoted to the development of manpower resources in the ASEAN and South Pacific countries in the coming decades was held in Tokyo in April 1985. It was sponsored by the Japanese International Cooperation Agency with the assistance of the Japanese Foreign Ministry. The speakers (among them the former Foreign Minister Saburo Okita) persistently emphasised the thesis about the decisive role of the private

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<sup>8</sup> *Newsweek*, July 16, 1984, p. 18.

sector in personnel training and the need to introduce "healthy work ethics". The latter, naturally, meant repudiation of strikes, full obedience to employers, etc. Hence the concepts that the Japanese political, trade and industrial circles intend to introduce under the shingle of developing manpower resources.

Judging by everything, the Six is working out and specifying its own approach which differs considerably from the Japanese-American models with their poorly concealed military-political lining. ASEAN believes that we should start with modest steps, the Secretary-General of the organisation, Phan Wannamethee, said in a *Mainichi Daily News* interview. That is why the Six has chosen for the joint action of the interested countries a plan of training personnel for it is the simplest one and is not connected with political problems. The objective need of Pacific cooperation that would be of a mutually advantageous and just nature is obvious to most observers in ASEAN, especially "in view of the region's turning into an increasingly important centre of trade and economic growth". On the one hand, this is exactly the case, but on the other hand, it is widely believed that there is no need to create a new organisation for this purpose. The latter concept accords with the ASEAN concept of cooperation that is not formalised organisationally and is not institutionalised.

From this point of view, most ASEAN leaders both before and after the Jakarta conference regarded the concept of the Pacific Community as unsuitable and alien. This stand remains in force to this day.

The statesmen of the Six proclaim the need of an equitable cooperation of the Pacific countries regulated by generally recognised principles of international law. The Indonesian scholar Arifin Bei warns that if the Pacific Community concept is put into practice, this "would signify departure from the creation of a national economy based on the Pancha Shila principles". The "free market" system would give the strong states maximum possibilities. As a result, the developing countries that are half way to the creation of the mainstays of national economies would become prey to big capital.

It is very indicative that the following is being increasingly realised in the ASEAN countries: the process of forming the system of Pacific cooperation (in the non-socialist part of the region), should it be entirely directed by the Big Two (USA and Japan), will lead to a weakening of the ties and the undermining of relations between the Six and the USSR, Vietnam and other socialist countries. The importance of the Soviet factor is now being realised better and assessed more objectively in ASEAN. The absurdity of putting the Soviet Union, a great world and Pacific power, "outside the brackets" of Pacific cooperation and, moreover, of forming an alliance, one way or another, directed against it is being increasingly realised. The provocative schemes of the "pacto-Maniacs" are not finding the support in the ASEAN countries on which they have counted.<sup>9</sup>

For instance, Professor Amado Castro from the Philippines wrote in a Canadian magazine that if geography is a criterion, then the USSR is unquestionably a Pacific power.<sup>10</sup>

When addressing an international financial conference in Hong Kong on June 3, 1985, the Prime Minister of Malaysia Mahathir Mohamad said that "rather than being overconcerned with the Soviet threat I would like to say that a much greater danger to the Asian Pacific region lies in the serious economic conflicts between the United States and Japan which are giving ... a mighty impulse to the forces of protectionism". "The dan-

<sup>9</sup> According to *Newsweek* magazine, at the Jakarta Conference (July 1984) ASEAN delegates privately expressed concern at the exclusion (from among the participants in the Pacific organisation) and thereby the antagonisation of other countries of the Pacific ring, especially the Soviet Union. *Newsweek*, July 16, 1984, p. 18.

<sup>10</sup> In *Pacific Affairs*, Winter 1982-1983, Vol. 55, No. 4, p. 667.

ger of the United States and Japan reaching agreement on a system under which all states will have the most-favoured status, and one or two states will have an even more favoured one, needs no explanations", the Malaysian head of government went on.

Indeed, attempts are being made to herd the ASEAN countries into the Pacific Community with the help of talk about a "communist threat", the mythical Soviet-Vietnamese expansion and by camouflaging the real dangers facing the region's countries. The London-based *World Today* warned that "it may be a mistake for ASEAN to tie itself down to any one country or even a power bloc". It noted, in particular: "India's example has shown that communist countries can be a large market for light consumer goods."<sup>11</sup> Since the time this was written the problem of marketing industrial goods and raw materials from the ASEAN countries in the West has deteriorated further.

There was sharp criticism of the egoistic trade and economic policy of the leading capitalist powers at the ASEAN foreign ministers' conference in Manila late last June. The ministers had to acknowledge that the promises made at the Tokyo meeting of the seven biggest imperialist powers (May 1986) had been far from fulfilled. There was also bitter disappointment with the results of President Reagan's meeting with the Indonesian President Suharto and the ASEAN foreign ministers held on Bali on April 30 and May 1. The industrially developed countries are establishing their own economic order and ignoring the needs of developing countries, it is said in countries of the Association.

It is only natural, therefore, that the members of this regional grouping are showing growing interest in intensifying and expanding trade and economic contacts with the Soviet Union and other socialist countries. A statement adopted on the results of a representative South-South international conference in Kuala Lumpur, held in the middle of 1986 and presided by the Prime Minister of Malaysia, said: "The socialist states of Europe, which also can make a big contribution to the development of the South, should take part in the dialogue with all groups and countries".

As one of the biggest powers in this vast zone the Soviet Union attentively follows the processes taking place there. Quite naturally, the processes have an impact on its interests as well. Here the USSR proceeds from the premise that great diversity in politics, economics, ideology, etc., should not be an obstacle to the mutually advantageous, equal and multifaceted cooperation of the region's countries and peoples. It is an indisputable fact that they have common interests and their interdependence is growing.

The Soviet Union is prepared to take part in the collective drafting of long-term projects and programmes in the field of environmental protection and the rational use of the biological and mineral resources of seas and oceans, and peaceful exploration of outer space. The USSR comes out for cooperation in developing productive forces, in training specialists, mastering new sources of energy, in perfecting communications and transport, for the joint search of new, promising forms of trade and economic cooperation. In other words, the Soviet Union is for the interaction of all states in those spheres in which it has big possibilities and invaluable experience.

It is the Soviet Union's opinion that outstanding issues and conflict situations, no matter how complicated, should be resolved by way of bilateral and multilateral consultations. Quite obviously, better mutual understanding could be promoted by holding both an all-Asian forum and a separate conference of Pacific countries. Soviet diplomacy has been long since insisting on the implementation of confidence-building measures and

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<sup>11</sup> *World Today*, December 1982, p. 491.

on scaling down the activity of navies in the Pacific. Influential circles in the ASEAN countries have repeatedly expressed their interest in this as well.

The policy-making speech made by Mikhail Gorbachev in Vladivostok on July 28, 1986 is new convincing evidence of the Soviet Union's striving for peace and its constructive policy. As is known, the Soviet leader set forth a whole package of ideas the implementation of which would help improve the situation in the Asia Pacific region and assert there the principles of peaceful coexistence and goodneighbourliness. Much attention was given to Southeast Asia and ASEAN. "Today as well we see the efforts of a number of states to solve common economic problems, the attempts to settle, in this way or other, conflict situations", Gorbachev noted. "There is much that is positive in the activities of ASEAN, in bilateral ties". "The idea of 'Pacific economic cooperation' is being discussed after the plan of the 'Pacific Community' was rejected", he noted further. As we have seen for ourselves, ASEAN has played a considerable role in this transformation.

It is without prejudice and bias that the Soviet Union treats this idea and it is prepared to join the meditations on the possible basis of such cooperation. But it is absolutely imperative, the Soviet leader said, for Pacific cooperation "to be perceived not according to a bloc and anti-socialist scheme imposed from outside but as a result of a free discussion without any discrimination whatsoever". Many statesmen, public leaders and scholars in the ASEAN countries think in the same or similar categories.

Future will show the extent to which the ASEAN countries succeed in upholding their lawful interests, their own interpretation of the problems of regional and subregional cooperation, their understanding of its aims and tasks. The more results they achieve in cooperating under the aegis of ASEAN, in developing fruitful economic ties with other countries regardless of their geographic location or social system, the less will be the chances of those who aspire to global and regional hegemony to dictate their will to the ASEAN member-countries.

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## CHINA: PROBLEMS OF ECONOMIC EFFICIENCY

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[Article by S.S. Yemelyanova, candidate of economic sciences]

Attaining higher economic efficiency is still the most urgent problem in today's China. It has broadly been discussed in the Chinese party and scholarly press since 1976 and formed, as Premier of the PRC State Council Zhao Ziyang said at the 4th session of the National People's Congress of the 6th convocation (March 1986), the core of the ten key trends of economic development set forth by the CPC Central Committee in late 1981.<sup>1</sup> The problem of raising economic efficiency features prominently in speeches and reports on economic matters made at various conferences, meetings, congresses and sessions. Higher economic efficiency is to guarantee the accomplishment of all the current and long-term tasks, first and foremost those of the seventh five-year development plan period (1986-1990). During this period, to quote the Chairman of the PRC State Planning Committee Song Ping, measures to ensure the further rise of economic efficiency will be of strategic importance.<sup>2</sup> Chinese specialists expect this course to help narrow the gap between the growth rates of the national income and gross industrial and agricultural output, to redress imbalances between individual sectors, to improve the structure of the use of national income for consumption and accumulation and, as a result, to raise the living standards of the population.

One of the causes of the shift of emphasis onto economic efficiency was its dramatic deterioration by the late 1970s. If we take the most general indicators of the national economy's efficiency, such as the growth of the national income per 100 yuan of accumulation (I) and capital investment per yuan of increment in the national income (II), we will see that a decline in efficiency has been the overall trend throughout China's history, with the exception of the three-year "readjustment" period in the 1960s.<sup>3</sup> It follows from the above figures that efficiency in the use of accumulations during the 1970s was roughly half that during the first five-year period.

The Chinese press noted on more than one occasion that the declining efficiency of the economy was a consequence of the undue escalation of the accumulation rate. The losses of public property in the 21 years between 1958 and 1978 totalled 1,916 billion yuan. If the rate and efficiency of accumulation had been kept at the level of the first five-year period, it would have been possible to generate 86.3 per cent more national income and 133.5 per cent more consumption funds in 1978.<sup>4</sup>

<sup>1</sup> *Renmin ribao*, April 14, 1986.

<sup>2</sup> *Jingji ribao*, April 7, 1986.

<sup>3</sup> *The Structure of China's Economy*, Moscow, 1984, p. 427 (in Russian); *Jingji yanjiu*, No. 6, 1980, p. 27.

<sup>4</sup> *The Structure of China's Economy*, pp. 432-434.

	I (yuan, average per period)	II
1st five-year period	35	1.68
2nd five-year period	1	73.7
1963-1965	57	0.92
3rd five-year period	26	2.32
4th five-year period	16	3.76
1976-1978	19	3.2

The correlation between the aggregate industrial and agricultural output, the national income and the consumption fund grew markedly worse as a consequence of declining economic efficiency—from 1:0.74:0.75 in the first five-year period to 1:0.58:0.37 in the fourth. These figures reflect the excessive growth of material inputs, slow growth of the net social product, rapid increase in the increment of the intermediate product and slow increase in that of the final product.<sup>5</sup> The costs of smelting one ton of steel, for instance, rose from 1,342 yuan in 1953-1957 to 2,452 yuan in 1971-1975, producing one ton of coal from 56 to 119 yuan, building one km of railway tracks from 0.57 million to 1.93 million yuan, and the expenditure of utilities for the production of 1,000 yuan's worth of output also increased from 0.642 tons of equivalent fuel in the first five-year period to 1.021 tons in 1976-1978. One square metre of area in civic projects built in 1978 cost on average 110 yuan, as compared with 46 yuan in 1966.<sup>6</sup> Chinese specialists have estimated that a one-per cent reduction in material inputs can boost the national income by three billion yuan.<sup>7</sup>

Economic inefficiency manifested itself in the ossification of assets, overstocking, uncontrollable growth of working material assets and their growing turnover periods. By the late 1970s, industrial plants alone had 25 per cent more current assets than they needed according to design-basis standards.<sup>8</sup> In 1957, the state industrial plants had 19.4 yuan of current assets per 100 yuan of output while by the early 1980s the figure was 36.9 yuan. The turnover rate of the working assets in industry was 111 days in 1982, whereas the figure in 1965 had been a mere 74.8 days. The construction schedules of large and medium-size projects grew two-fold, jacking up dramatically non-material inputs. For instance, the extension of schedules in capital construction by one year pushes up wages and managerial costs by more than five billion yuan.<sup>9</sup> As a consequence of the resource scattering in capital construction and larger time lags, the country had a host of uncompleted projects, which in 1978 exceeded by half the total sum of capital investment.<sup>10</sup> All this could not help reducing the share of operative fixed assets in the total volume of accumulation, thus detracting from their efficiency.

Efficiency in the utilisation of assets dropped accordingly (revenue and taxes per 10 yuan's worth of assets averaged 27.1 yuan between 1953 and 1957 and a mere 15.4 yuan in 1976-1978), as a result of which there arose a shortfall of 70 billion yuan of profit in 1978 alone. But if the profit rate had been raised by a mere one per cent, its sum total would have grown by more than four billion yuan.<sup>11</sup>

The right balances are the decisive factor of efficiency—but these were Achilles' heel of the Chinese economy in the late 1970s because virtually all the reproduction and sectoral patterns were out of kilter. For instance, the excessive emphasis on accumulation upset the balance between the national income, consumption fund and accumulation fund, while that balance is fundamental to the national economic optimum as it affects all the general economic balances in socialist expanded reproduction and determines its growth rate and efficiency. That balance is inseparable from the general and individual industrial structures, which are of paramount importance among all the structures of the national economy and form its basis. The imbalances in the development of the three leading economic sectors, agriculture, heavy and light industries, are illustrated

<sup>5</sup> *Ibid.*, p. 428

<sup>6</sup> *Jingji yanjiu*, 1980, No. 3, pp. 26-27.

<sup>7</sup> *Caijin yanjiu*

<sup>8</sup> *Renmin ribao*, June 30, 1979.

<sup>9</sup> *Hongqi*, 1981, No. 8, p. 10.

<sup>10</sup> *Jingji yanjiu*, No. 6, 1980, p. 26.

<sup>11</sup> *The Structure of China's Economy*, p. 428; *Jingji guanly*, No. 1, 1982, p. 6

by the average annual growth rates of their gross output, which were 3.2, 9.1 and 13.6 per cent respectively between 1953 and 1978. The national income generated per worker was 7.7 times that generated per farmer during that period.<sup>12</sup> As a consequence of intensive industrialisation regardless of the growth of agriculture and light industry, the latter two began to fall farther and farther behind the needs of China's immense population, and failed to provide adequate revenue for the national budget.

Since industry and agriculture play a decisive role in the social production of the PRC (they account for more than 80 per cent of the gross social product and national income), deep imbalances between them could not but cripple the entire national economy. They had an effect on the structure of capital investments, employment patterns, the growth and apportioning of wages, the market, and public revenue. All that put together was holding back the process of social production as a whole. Small wonder that the paramount task of the Chinese leadership, and a guarantee of further economic growth, was the redressing of imbalances primarily between those three sectors. The Chinese press noted, *inter alia*, that "the correct settlement of relationships between agriculture, light and heavy industry is the key problem bearing on ensuring the economic balances and providing for economic growth at a high pace."<sup>13</sup> Intrasectoral structures were not adequately and harmoniously balanced either. That is why to improve economic efficiency, China has set the task of developing rational structures in production and accelerating scientific and technological progress in every way; it is pointed out that to quadruple industrial and agricultural output by the year 2000, it is necessary to improve efficiency in all the economic sectors and spheres simultaneously.<sup>14</sup>

As for the other more general imbalances in the PRC economy that have piled up over the years, mention should be made of a discrepancy between the scale of capital construction and the financial and material resources, the drastic lagging behind of retail trade and the services, the transport and communications infrastructure that is inadequate to the needs of economic growth, and a sizeable gap between the military and the civilian industries.<sup>15</sup>

Commenting on national economic efficiency, *Renmin ribao* noted that throughout the 30 years of the PRC history, huge funds were pumped into the production of many goods which "cannot be eaten, worn or used in any other way" and which actually constituted defective output.<sup>16</sup> A Deputy Premier of the PRC State Council, Tian Jiyun characterised this situation in general terms as follows: due to excessive emphasis on the growth of cost indicators and disregard for the need to improve efficiency during a long period of time, we have a situation in which industry submits glowing reports, retail trade is sad, warehouses are bulging with goods and our finances show padded up profits.<sup>17</sup>

The ultimate result of poor efficiency in China's national economy was the declining revenue of the state budget during several years. If production is efficient there usually is harmony between the growth rate and financial revenue, but in China the national income rose by 41 per cent between 1979 and 1982 while the budget revenue, far from growing, dropped by 3.3 per cent. Zhao Ziyang said that a major cause of that drop was poor economic efficiency, immense production costs in industry

<sup>12</sup> *Zhongguo shehui kexue*, No. 3, 1980, pp. 19-40.

<sup>13</sup> "To Remember the Historical Lessons of the One-Sided Development of the Heavy Industry", *Hongqi*, No. 12, 1979.

<sup>14</sup> *Renmin ribao*, Feb. 15, 1983; Feb. 26, 1985.

<sup>15</sup> *Jingji kexue*, No. 1, 1980, pp. 6-13.

<sup>16</sup> See *Renmin ribao*, July 3, 1980.

<sup>17</sup> *Ibid.*, Feb. 12, 1986.

and on transport as well as turnover costs in retail trade.<sup>18</sup> Production costs in industry, for instance, rose by 0.9 per cent in 1980, by another per cent in 1981 and did not decline in 1982 either; this alone detracted 4.5 billion yuan a year from the budget revenue. The losses of industrial plants in 1982 added up to 4.2 billion yuan and amounted to more than 10 billion yuan, together with the losses of public catering and retail trade outlets. Abuses and shortcomings in the financial system itself also affected the growth of revenue. It has been estimated that 4.5 billion yuan of revenue were lost in two years due to violations of financial and economic discipline.<sup>19</sup>

One of the more vivid manifestations of the financial strain in the country was the state budget deficit, which reached 17 and 12.1 billion yuan in 1979 and 1980, respectively. Although the deficit was cut back in subsequent years, the efforts to keep it down to the planned target of three billion yuan failed: it amounted to 4.3 billion yuan in 1983 and five billion yuan in 1984; it was only in 1985 that the revenue and expenditures from the state budget were roughly balanced out. The deficit was explained by the fact that construction projects over the years were launched without regard for practical possibilities, that the share of capital investment was too high and turnover period long, while efficiency was low. The situation was aggravated by bulging commodity stocks and undue growth of working assets.<sup>20</sup>

The drop in the state budget revenue and its declining growth rates were also determined by the rapid increase (almost four-fold) of extra-budget funds: from 37.1 billion yuan in 1978 to 143 billion yuan in 1985, while the state budget revenue during that period grew by a mere 65 per cent, from 112.1 billion yuan to 185.4 billion yuan.<sup>21</sup> The extra-budget funds thus reached 80 per cent of the state budget as compared with 50 per cent in 1982, 20 per cent during the second and third five-year development periods and a mere 7 per cent during the first five-year plan period.

Since the central planning and management bodies do not have sufficient resources, the state has less leverage to encourage expanded reproduction, which is explained by the very nature of socialist finances. When all is said and done, it is under the influence of the state budget, the kingpin of the entire financial system, that the economic growth rates and inter- and intra-sectoral balances in the national economy are formed, the consumption and accumulation funds built up and used, the national income redistributed geographically in accordance with plans for the deployment of production forces and national economic development plans related to the country's financial resources. Hu Yaobang, General Secretary of the CPC Central Committee, said as far back as 1982 at the 12th CPC Congress that in view of the strategic tasks for the next 20 years, the state should concentrate in its hands adequate resources, put an end to their excessive dispersal and boost the national income and financial revenue to the central authorities through improving economic efficiency.<sup>22</sup>

Especially serious debates were held on that issue at the First Session

<sup>18</sup> *Renmin ribao*, June 24, 1982.

<sup>19</sup> *Renmin ribao*, Dec. 15, 1982.

<sup>20</sup> *Jingji yanjiu*, No. 1, 1982, pp. 76-80.

<sup>21</sup> See *Renmin ribao*, April 16, 1986. Along with the decentralisation of finances, there are grave problems with the distribution of raw and other materials. Chinese news papers report that material resources drop out of the sphere of planned distribution by the state because of black-market deals and are sold at speculative prices. While in 1965 the state obtained 95 per cent of the total output of steel rolled stock, the figure dropped to 53 per cent in 1982. The figures for cement were 75 and 24 per cent, coal 75 and 51 per cent respectively, and the situation with timber was much the same *Renmin ribao*, July 21, 1983.

<sup>22</sup> *Renmin ribao*, Sept. 8, 1982.

of the National People's Congress of the sixth convocation (1983), which decided that not only the effective fulfilment of the sixth five-year development plan but also the creation of preconditions for another economic upsurge during the 1990s depended on improvements in the country's financial situation. The PRC State Council identified three major areas in that work: a) efforts to expand sources of financial revenue in every way, b) rational distribution of the national income with a rise in the share channelled into the state budget, c) correct planning of the overall scope of capital construction, provision of adequate resources for key projects and improvements in the efficiency of capital investment across the board. Zhao Ziyang, Premier of the PRC State Council, said in his speech at that session that both the processes of regulation, readjustment and technological modernisation and the reform of the economic system and taxation should aim at improving efficiency in the economic activity of society as a whole and raising state budget revenue. It will be an exceptionally important task of the government, the Premier said, to do away with the dissipation of resources and effect rational distribution of the national income with a feasible increase in the share that goes into the state budget.<sup>23</sup>

The figures cited above show that the problem of increasing and centralising public resources have not yet been resolved and remain a headache for the Chinese leadership because uncontrollable extra-budget accumulation goes predominantly into numerous small, inefficient plants and production units, which duplicate one another and which complicate the task of overcoming the backwardness of the national economy and of leading it to a qualitatively new frontier. The Chinese press notes that control over the scope of capital investment and concentration of efforts and resources in the construction of key projects constituted one of the most urgent economic problems.

Since it is short of centralised funds, the PRC government has decided to concentrate efforts on the construction of key projects, which should play a leading role in the modernisation of the national economy. The state has taken a series of financial measures since 1982 to guarantee successful capital construction in the power industry and transport, the weaker sectors of the economy which are especially important today. In particular, the revenue of the state budget now includes a special item, "funds for construction of key projects in the power industry and transport", the growth rate of which far exceeds that of other items.

Expenditures on science, education, culture and health care as well as military spendings have been also limited because of the bad strain on the country's finances, the Chinese press says.<sup>24</sup> Yet a comprehensive modernisation of the national economy is impossible without drastically overhauling the entire nonproductive sector. It will take much money to bring it into accord with the needs of today's economic development level because that sphere has been underprivileged over a long period and has badly fallen behind. The acute need for its accelerated development puts an additional strain on the state budget, which is the main source of funds for that sector.

Declining state budget revenue at a time when the need for it has grown dramatically is one of the main factors which have prompted diverse efforts to improve economic efficiency as the only reliable and dependable way of boosting public revenue and improving the overall economic situation in the country. In the final analysis, the ultimate goal of the economic reform that is being carried out in China is to improve the efficiency in the economy and revive economic activity.<sup>25</sup>

<sup>23</sup> See *Renmin ribao*, April 24, 1983.

<sup>24</sup> *Jingji ribao*, Feb 8, 1984.

<sup>25</sup> *Renmin ribao*, April 20, 1985.

As is known, the reform began in the countryside as a means of overcoming backwardness and stagnation in that basic economic sector of China.<sup>26</sup> Based on the introduction of family contracts as a system of responsibility and on the principle of material incentive, the reform spread virtually to all the rural areas of the country in a few years. Agriculture made good progress during that period. The average annual increment in gross output during the sixth five-year development period was 10.8 per cent as against 3.5 per cent in the 28 years between 1953 and 1980. Grain production soared by 27 per cent between 1981 and 1984 and the structural pattern of agriculture somewhat improved: the share of crop farming dropped from 70 to 58 per cent and that of other sectors increased accordingly. The living standards of farmers changed considerably: their average per capita incomes more than doubled—from 191 yuan in 1980 to 400 yuan in 1985.<sup>27</sup>

There is a tendency in China to ascribe these changes entirely to the reform, in particular, to the introduction of the farmstead contract, which is evident, for example, from the material of the 3rd Plenary Meeting of the CPC Central Committee of the 12th convocation (October 1984), the All-China Party Conference (September 1985) and the 4th Session of the National People's Congress of the 6th convocation. Yet the role played by the state in providing incentives to agricultural production should not be overlooked: purchasing prices for farm produce were raised, farm taxes reduced (and even cancelled altogether in some cases) and direct aid was given from the budget to the less developed regions and farms. While contributing to the progress of agriculture, however, those measures proved a drag on the country's finances. Moreover, the task of improving the living standards of the urban population was urgent as well (the incomes of factory and office workers have gone up by 68 per cent in the past five years). As a consequence, strains on the state budget kept growing and sources of financing had to be broadened as soon as possible.

Eighty per cent of the public revenue in the PRC are known to be generated by industries and trade in cities and communities. But since their economic efficiency remained very low, losses and overexpenditure in production, construction and circulation were considerable. Their financial performance was unsatisfactory as a result. Therefore, the only way of effectively boosting revenue was to make those enterprises more viable and efficient, and the 3rd Plenary Meeting of the CPC Central Committee of the 12th convocation (1984), devoted to the reform of the economic system, characterised it as pivotal to the economic reform as a whole. The shift of emphasis in the reform from agriculture to industry signals the desire of the state to get speedier results from it at the national level, because the introduction of the reform in the countryside had virtually no effect on the growth of national revenue; moreover, as already pointed out, part of the public revenue was redistributed in favour of agriculture in those years.

Under the Resolution of the 3rd Session of the National People's Congress of the 6th convocation (1985), to energise the industries, especially large and medium-size ones (which generate most of the budget revenue)<sup>28</sup> it is necessary to gradually refurbish the system of price formation and do away with vestiges of wage-levelling. Zhao Ziyang, Premier of the PRC State Council, has stated that the old system of prices was the

<sup>26</sup> Backwardness in agriculture was the major source of all structural problems in the PRC. An increase in labour productivity in agriculture can greatly improve the economic efficiency of the national economy as a whole. See, e.g., *The Structure of China's Economy*, p. 437.

<sup>27</sup> See *Renmin ribao*, Jan. 12, 1986.

<sup>28</sup> Major industrial plants, which account for a mere 0.4 per cent of their total number, generate more than 40 per cent of the overall profit and deductions into the budget. *Jingji ribao*, Oct. 8, 30, 1984.

main cause of low efficiency in the entire economy while the wage system, falling farther and farther behind the needs of socialist modernisation, was a brake on technological progress and the growth of production efficiency.<sup>29</sup> The irrationality of those two systems had an adverse effect on the entire economic life of the country and also misrepresented the economic activities of individual industrial plants and the financial system as a whole.

The reorganisation of industrial management being carried out under the reform envisages the introduction of a system of responsibility based on the principle of greater reward for greater contribution, the renunciation of wage levelling, the streamlining of the managerial machinery as well as the toughening of financial and labour discipline. In this connection, all the regions of the country and all ministries, departments, industrial plants and nonproductive organisations have been instructed to improve economic management in every way, better the quality of output, cutback material inputs, improve labour productivity, and also reduce production costs. In other words, a plan for across-the-spectrum effort to improve the efficiency of the entire national economy was drawn up. The same goal is pursued by such measures as the toughening of financial policy, severe constraints on the total volume of crediting and the available quantities of cash in circulation and special restrictions on capital investment, especially extra-budget investment in fixed assets.

The reform in the city is still in the making but it is already clear that it will be far harder than it was to introduce it in the countryside because it affects, in some ways, very diverse aspects of economic activity such as planning, financing, taxation, prices, banking, trade, labour and wages. The latest session of the National People's Congress noted that the full implementation of the reform would take long, that it would not be over during the 7th five-year development period but would continue till the end of this century and even extend to the next and that it would be a decisive factor of national economic development. The PRC leadership is urging that the reform be given first priority at all levels, especially in cities.

Diverse measures to streamline the national economy have had an overall positive effect. For instance, in the last five years, the annual average growth rate of per worker national income was roughly 6 per cent, farmers' incomes—13.7 per cent and factory and office workers'—6.9. Energy inputs per 10,000 yuan of the national income reduced by 20 per cent in 1985 as compared with 1980, while the average annual national income grew by 20 billion yuan thanks to better utilisation of energy.<sup>30</sup> These measures began to have their effect on finances only in 1983, when the growth rate of state budget revenue exceeded, for the first time in several years, that of the growth of the national income and the gross output of industry and agriculture (11.1 per cent against 9 and 10.2 per cent respectively). It is important to note that such a rise in incomes was stimulated by the accelerated growth of domestic revenue (11.7 per cent), 2.8 per cent above the plan target, while foreign credits slightly dropped in the state budget revenue as compared with the previous years and amounted to a mere 70.1 per cent of the anticipated figure.<sup>31</sup> The situation in 1984 and 1985 was the same.

As for the financial and economic situation of the country in terms of national economic efficiency, in the past five years the state budget revenue grew roughly in proportion to the increase in social production as a whole, which is illustrated by the average annual growth rates of the

<sup>29</sup> See *Renmin ribao*, Nov. 9, 1984; April 12, 1985.

<sup>30</sup> See *Renmin ribao*, Jan. 12, April 14, 1986.

<sup>31</sup> See *Ibid.*, June 3, 1984.

gross social product (11 per cent), national income (9.7 per cent) and financial revenues to the budget (10.3 per cent). The above annual average indicator for financial revenue was achieved first and foremost thanks to a drastic increase in state budget revenue in the last two years—17.3 and 27.3 per cent respectively—while in the previous years the figures were far lower, from 3.2 to 11.1 per cent. The overall volume of the budget and extra-budget funds almost doubled over 1980. However, the exceptionally high growth rate of revenue in 1985 is explained not only by major changes in the economy. It was stimulated also by rising domestic prices, relatively large commodity imports and higher custom tariffs, which should be borne in mind in appraising the financial situation in the country.<sup>32</sup>

In spite of the aforementioned turn for the better in the finances, the funds available in the state budget are still relatively small: the share of the national income redistributed through the budget is below 30 per cent, which is viewed by Chinese economists as essential for ensuring the normal functioning of the national economy at the current stage of its development.<sup>33</sup>

As for the main macroeconomic balances, official statements in the press say that at present they are adequate and mostly correspond to China's economic development level today. For instance, agriculture, light industry and heavy industry each account for roughly one-third of the total gross output, whereas their shares in 1978 were 27.8, 31.1 and 31.1 per cent respectively; the ratio between heavy and light industry is 50 to 50, whereas in 1978 it was 57 to 43; the balance between the first and second subdivisions of the aggregate social product and infrastructure has begun to improve; the accumulation rate dropped from 36.5 per cent in 1978 to 31.2 per cent in 1984 and averaged roughly 30 per cent for the five-year period. Domestic trade made substantial progress as well: retail trade doubled over 1980, growing by an average of 15 per cent a year, whereas the growth between 1953 and 1980 averaged a mere 7.6 per cent.<sup>34</sup>

This balance at the macrolevel did not mean, however, that numerous national economic problems had been solved. Moreover, the 4th Session of the National People's Congress of the 6th convocation, noted that since the end of 1984 the Chinese economy has witnessed a number of destabilising factors such as excessive growth of industrial output, inordinately high capital investments in fixed assets, extravagant use of material resources, depletion of hard currency reserves, imbalances between demand and supply, runaway growth of the consumption fund, etc. Booming industrial and agricultural production without the adequate expansion of the other sectors has actually aggravated global intersectoral imbalances in recent times. In the past few years the government has been trying to keep down economic growth rates, primarily in industry. Appraising the results of national economic development, Zhao Ziyang, Premier of the PRC State Council, noted that the excessively high production growth rates had put unbearable strains on the power industry, transport and other sectors of the infrastructure and had adversely affected the economy as a whole. To redress this imbalance, China has launched a campaign to develop in cities and rural areas a "third industry", which includes domestic and foreign trade, transport, communications, tourism, finances, insurance as well as expert, technical and other services. It is being constantly stressed that the services are an important component of the national economy and that the efficacy of economic transformations in

<sup>32</sup> See *Renmin ribao*, Jan. 12, 1986.

<sup>33</sup> See *Renmin ribao*, July, 15, 1984; *Jingji ribao*, Feb. 8, 1984.

<sup>34</sup> See *Renmin ribao*, Jan. 12, 1986.

China depends on the development level of the "third industry."<sup>35</sup> Under this policy, the number of retailing, public catering and other service outlets has increased fivefold and their workforce grown by 190 per cent during the five-year period.

The progress achieved by the PRC national economy in the past few years has, nevertheless, failed to change drastically the economic situation. The PRC economy still relies on extensive methods of development. The growth of industrial production in China, for instance, is achieved in large measure with the expansion of industry, first and foremost through the construction of small local plants which are technologically backward, expend a lot of raw materials and power but produce substandard goods. In 1984, for instance, small industrial plants accounted for 98.5 per cent of the country's 437,200 plants, produced 55.3 per cent of the total industrial output and generated 56.3 per cent of its increment. The number of small plants grew by 44,100 in one year, and those of large and medium-size by 200 and 400 respectively.<sup>36</sup> Rapid industrial growth through the construction of new plants calls for heavy capital investments, upsets the balance between consumption and accumulation, demand and supply, and disfigures intersectoral relationship.

As for the improvement of economic efficiency, it is falling far behind the plan. For instance, the production cost of industrial output reduced by a mere 0.2 per cent in 1983 and even rose by 1.3 per cent in 1984. In 1985 PRC papers again noted an overall increase in production cost, although under the plan it was to decrease by two per cent a year. The commissioning ratio of capital construction projects dropped to 48 per cent in 1984 from 53.2 per cent in 1983, the completion ratio in the building construction decreased from 52.3 to 49 per cent and the utilisation ratio of newly-introduced fixed assets also worsened.<sup>37</sup> At the same time, capital construction costs are growing everywhere, construction lags are increasing, state subsidies to narrow the gap between prices for some products keep growing, and foreign trade is still inefficient and unprofitable. China's inputs per unit of output are far below the world indicators and in some cases even below the levels achieved in the country since the PRC was established, and the gap between the economic endeavours of individual regions is still very wide.<sup>38</sup> Commenting on economic difficulties, the PRC Finance Minister Wang Bingqian notes that no breakthrough has yet been achieved in the efforts to improve economic efficiency, that industrial plants of varying sizes are still heavily in the red, that some of them do not fully comply with the annual plan requirements and that breaches of financial discipline are still widespread.<sup>39</sup>

Substandard products, large material inputs and low economic efficiency remain Achilles' heel of the Chinese economy and can only be overcome by renouncing rapid development, Zhao Ziyang told the All-China Party Conference in September 1985 and the 4th Session of the National People's Congress (6th convocation) in 1986. The nationwide inspection of the quality of industrial output launched in May 1985 is an important measure under the economic reform. This goal is also pursued by the second countrywide stock-taking in Chinese industry, carried out under a decree of the PRC State Council. There is one more serious problem in the country: in the past few years pay rises have been outpacing the growth of labour productivity and national income, which, as the journal *Hongqi* warns, can lead to the loss of control over consumption, imbal-

<sup>35</sup> See *Renmin ribao*, April 12, 1985; *Gongren ribao*, July 21, 1985.

<sup>36</sup> Calculated on the basis of *Zhongguo tongji nianjian—1985* Peking, 1985.

<sup>37</sup> See *Renmin ribao*, March 10, 1985.

<sup>38</sup> See *Renmin ribao*, March 2, 1984.

<sup>39</sup> See *Hongqi*, 1986, No. 3, pp. 11-15.

ces between consumption and accumulation, rapid growth of prices and eventual economic chaos.<sup>40</sup>

The improvement of economic efficiency therefore remains the paramount problem facing the PRC today. It is even more crucial in view of the country's long-term goals and possibilities for reaching them. Under the overall policy of comprehensively modernising the national economy and quadrupling the gross output of industry and agriculture by the year 2000, China has to accomplish the triple task of ensuring consistently high economic growth rates, balancing out national economic sectors and raising the living standards of the population. In view of the underdeveloped material and technological base and productive forces, these transformations naturally call for a massive increase in material and financial inputs. Meanwhile, China has very limited financial sources to back up this programme. The low per capita national income (less than 250 dollars), the enormous and rapidly growing population and the low living standards are objective obstacles to the growth of accumulation through higher increases of its rates. Therefore, the only way of providing the needed resources is to improve economic efficiency. In particular, a deputy director of the Research Economics Institute of the Chinese Academy of Social Sciences, Zhou Shulan said, that only improved efficiency would make it possible to provide resources to quadruple industrial and farm output. His view is borne out by the following estimates. The national income is to reach 1,300 billion yuan by the year 2000. If capital investment is used with the efficiency level of the 4th five-year period China will need a total of 3,500 billion yuan by the year 2000, while the efficiency level of the first five-year period will demand a mere 1,500 billion yuan.<sup>41</sup>

All these circumstances explain the decision of the Chinese leadership to attach priority to economic efficiency in determining national economy balances and economic growth rates. The switch from quantitative growth indicators to qualitative is quite symptomatic and it is stressed that higher economic efficiency should be the primary source of economic growth while expansion of production—the secondary. Characterising the overall progress of economic development during the 6th five-year development plan period, Zhao Ziyang noted at the latest session of the National People's Congress: "We have initiated in economic and social development strategy a transition from the one-sided chase after the product cost and the volume of industrial output, especially in heavy industry, to improvements in economic efficiency, considering it the *sine qua non*, and began to pay attention to the harmonious development of every field, including the economy, science, technology, education, culture, and social affairs."<sup>42</sup>

Generally speaking, the Chinese press formulates the task with regard to growth rates and efficiency as follows: economic managers should stick to a "system of priorities", under which efficiency should be put before growth rates and adverse factors taken into account along with propitious conditions in economic analyses.<sup>43</sup> Historical experience, as Zhao Ziyang puts it, is a constant reminder that it is only possible to give an impetus to stable economic development and effectively guarantee constant improvement in living standards when the needs are carefully weighed against possibilities, when both past experience and prospects are taken into account and when national economic growth rates are sustained. In drawing up the seventh five-year development plan, the PRC State Council laid emphasis on the determination of precisely such "rational" growth

<sup>40</sup> See *Ibid.*, 1985, No. 4, p. 2.

<sup>41</sup> See *Jingji yanjiu*, 1983, No 1, pp. 40-41.

<sup>42</sup> *Renmin ribao*, April 14, 1986.

<sup>43</sup> See *Ibid.*, Jan. 28, 1986.

rates while trying to encourage a harmonious and efficient development of the national economy as a whole. The average annual economic growth rates have been planned below the actual figures for the 6th five-year development period. For instance, the target for the annual average growth rate of the gross national product is 7.5 per cent, for the gross output of industry and agriculture 6.7 per cent, including 7.5 per cent in industry and 4 per cent in agriculture (or 6 per cent together with rural industry).

Zhao Ziyang's report prompts the conclusion that lower growth rates are called for by objective conditions. To begin with, the factors of economic growth are changing. While during the 6th five-year development period the boom in agriculture was sustained by the release of the productive forces through the economic reform and encouraged by state incentives, these factors will have a weaker impact during the 7th five-year development period. Emphasis has now been shifted to improvements in conditions for agricultural production, which are to be changed gradually. This, in turn, cannot help affecting to some extent the growth rates of agricultural production.

As for industry, the excessive growth of industrial output in the last two years of the sixth five-year development period was ensured predominantly by the expansion of capital investment. As Zhao Ziyang noted, such a situation cannot last long. Moreover, priorities within industry are going to be changed not in favour of its more dynamic sectors. In particular, to redress imbalances between the manufacturing industries, on the one hand, and the fuel, energy and raw materials industries and transport, on the other, it is planned to maintain the growth rate of the former and to boost that of the latter. Being capital intensive and having longer pay-back periods and lower profitability, the latter, unlike the manufacturing industries, cannot yield fast and substantial increments in output in cost terms. Since the total capital investment is limited, the growth rate of industrial output is bound to decrease.

The "two key aspects" of production and construction in the current five-year development period will be an improvement in the efficiency of enterprises and the boosting of exports to increase hard currency earnings. In the near future the practical measures needed to improve economic efficiency are likely to be as follows: rigorous control of the volume of investment and the channelling of investment predominantly into the modernisation of existing plants rather than into the construction of new ones; comprehensive improvements in the quality of output as a precondition for higher economic efficiency; shift of emphasis from small-scale rural industries to key state-owned plants; conversion of an ever larger number of military plants into civilian production enterprises; more extensive application of the law of cost, introduction of market relations and their control; organisation of the circulation system, especially in the countryside; adequate development of the state-controlled cooperative as well as private trade and its dovetailing with dynamic economic growth; training and upgrading of personnel, including specialists, engineers and technicians.<sup>44</sup>

Improvement of economic efficiency is, therefore, an integral indicator reflecting the entire gamut of the tasks and problems faced by social production in China today. The result of PRC's economic growth, both in the next few years and in the longer term, will depend on the success of the measures aimed at improving the efficiency of the entire national economy and also its individual sectors.

<sup>44</sup> See *Renmin ribao*, Nov. 9, 1984; Jan. 9 and April 14, 1986; *Jingji ribao*, March 28 and 29, 1984; July 16 and 22, 1985; *Jingji cankao*, Dec. 28, 1985; *China Daily*, Nov. 25, 1985.

## ECONOMIC TRANSFORMATIONS IN CHINA'S CITIES DESCRIBED

Moscow FAR EASTERN AFFAIRS in English No 2, 1987 pp 146-149

[Article by A.V. Ostrovskiy, candidate of economic sciences]

**C**hangzhou, a city in the south of Giangsu province, is one of the 52 Chinese cities in which the economic reform is being carried out. Territorially, this city is part of the Shanghai economic zone, the biggest in the country, and caters mostly to the requirements of this region. The city is divided into eight districts—four urban, one suburban and three rural counties—Wujin, Gintan and Luyang. The total size of the population in the city and the adjoining counties (as of late 1984) was about three million, with the urban population proper exceeding 500,000. In 1983 the city's gross industrial output amounted to 4,324 billion yuan and average annual growth rates in 1978-1983 were 10.9 per cent, or higher than the average figure for the country as a whole during that period.<sup>1</sup> In 1984 the gross output of the city's industry and agriculture amounted to 9 billion yuan and 800 million yuan of incomes were deducted to the state budget. There are 486 industrial enterprises within Changzhou's city limits, while the total number of the city's industrial enterprises is 786. If we add the enterprises in the counties and settlements the figure will exceed 4,700. The textile industry is the main one and accounts for 40.72 per cent of Changzhou's gross industrial output, with machine-building accounting for 28.57 per cent and the chemical industry for 13.29 per cent.<sup>2</sup> The total number of industrial and office workers in 1984 was 303,700 with 187,000 of them working in the state sector (or 62 per cent of the total), 100,000 in the collective (or 33 per cent) and 16,000 in the individual (or 5 per cent).<sup>3</sup>

The economic reform in cities began in March 1982. Changzhou was the second city in the PRC (after Shashi in Hubei province) to start a comprehensive economic reform in all branches of the economy. A comprehensive reform of the administrative structure of Giangsu province was conducted in March 1983 simultaneously with the reform in the city. Basically it resulted in the cities gaining administrative control of the adjacent counties. As conceived by the organisers of the economic reform in Changzhou, there should be economic, rather than administrative ties between town and countryside. Five branch economic systems were set up and they are now effecting ties between town and countryside—industry, trade, science, technology, transport, communications, and finance. As it was noted in one of the publications devoted to the economic reform in Changzhou, "this structure presents the comprehensive development of the economy of cities and settlements in which the industrial system is the foundation, commodity circulation is a bridge between production and consumption, town and countryside, while science, transport, communications and finance are the necessary conditions for attaining modernisation."<sup>4</sup>

<sup>1</sup> *Changzhou First Upsurge*, Peking, 1984, pp. 175, 177.

<sup>2</sup> *Ibid.*, p. 177.

<sup>3</sup> Data of the Changzhou City Labour and Cadres Board.

<sup>4</sup> *Changzhou First Upsurge*, p. 119.

A national conference on questions of the economic reform in cities was held in Changzhou in April 1984, and imparted a new impulse to its implementation. In 1984 the Chinese press wrote about Changzhou as a city that has achieved big successes in conducting the economic reform. Its results in Changzhou were qualified as positive and the "Changzhou experience" was recommended for study throughout China and suggested as a study material to foreign scientists and specialists. In April 1985 the author of this article studied the experience of the economic reform within the framework of a study course conducted by the People's University of China (Peking) and dealing with the problems of the development of the social and economic structure of Chinese cities and settlements. During the trip the author was given a chance to conduct discussions in the group dealing with questions of carrying out the economic reform under the Chancellery of the Changzhou people's government, the labour and cadres board, the Dongfeng printed calicomill (state sector), a bicycle plant and a garments factory (both belonging to the collective sector), the plant for the production of sack cloth from artificial fibres in Yonghong county (a collective enterprise) and a hotel (individual sector).

The former orientation solely on enterprises of the state sector was changed in the course of the development of the city's economic system and this was one of the important directions of the economic reform in Changzhou. The city authorities tried to create such a system of managing the city's economy under which the state sector would retain its leading role but under which the other sectors—collective and individual—would also develop. Another important aspect was the upsurge in the performance of enterprises, the gradual withdrawal from excessive concentration in the management of the economy and the concentration of administrative authority in managerial units. The next aspect of the reform was the departure from planning by decree as the basis of developing the city's economy and the gradual transition to guideline planning, and a more extensive use of economic and juridical levers. The liquidation of leveling and the so called "common bowl" system both for enterprises and for employees was a no less important direction of the economic reform in Changzhou.

Various measures directed at expanding the economic independence of individual enterprises and increasing the productivity of personnel were used to solve these tasks of the economic reform in the city.

The invigoration of the collective sector in the city was an important measure in carrying out the reform. In 1985 the collective sector in the four city districts accounted for 61 per cent of all enterprises in the city, for 32 per cent of all industrial and office workers, and for 25 per cent of the gross industrial output. Many trade enterprises were leased to collectives. At collective enterprises industrial and office workers donated to the fixed and turnover assets and were paid dividends out of the profits made by enterprises depending on the size of their contribution. In Changzhou 95 per cent of the trade outlets employing 80 per cent of all industrial and office workers of this branch of the economy have switched to this form of organising production.

In addition to this, the industry developed vigorously in Changzhou and the adjoining counties. In 1984 the gross industrial output of enterprises of counties and settlements amounted to 2.4 billion yuan (or 55.5 per cent of the city's gross industrial output). As a rule, such enterprises are subsidiaries of big enterprises in the city supplying them with completing parts. But these enterprises of counties and settlements face a number of serious problems. Firstly, the low level of management of these enterprises because of the absence of skilled engineers and technicians. Secondly, these enterprises use up a lot of raw materials and initial products. And, thirdly, labour productivity is low. Attempts are

being made in the Changzhou area to solve these problems by beefing up these enterprises with retired skilled workers, engineers and technicians, and by expanding the production ties between the enterprises of counties and settlements and big enterprises in the city. But the low technical level of production and shortage of capital investments prevent a speedy solution of these problems.

In 1984 Changzhou had more than 4,000 industrial enterprises of counties and settlements set up mostly on the level of the county (xiang) or village (cun). The fixed production assets of these enterprises range from several hundred to several tens of thousands yuan. The labour force ranges from several dozen to several hundred. However, the share of these enterprises in the gross industrial output of individual counties is sufficiently high—from 50 per cent to 70 per cent (for instance in the Wujin and Luyang counties). This largely explains the intensification of commodity turnover in the countryside.

Many enterprises were formed by contributions made to their production assets. Some workers own shares valued at more than a thousand yuan and there are some who own shares valued up to 10,000 yuan. At the end of the year, depending on the results of the plant's performance, these workers are paid dividends for their shares (together with wages).

The city's individual sector developed rapidly. By the end of 1984 the number of private businessmen in the city grew by 70 per cent as compared to 1983 and reached 3,259. Most of the private businessmen in Changzhou, just as in the whole of China for that matter, are concentrated in trade and catering—a total of 1,613 enterprises (or 62.4 per cent of the total number of individual enterprises) employing 1,909 people (or 58.5 per cent of all those employed in the city's individual sector). By 1985 private enterprise began to spread even to such comparatively capital-intensive branches as capital construction and information service.

Most diverse methods of intensifying performance were used at enterprises of the state sector. The system of financial contract began to be used for small enterprises starting with 1983. Its essence is that a contract sets out in advance the share of the profits that the enterprise must deduct to the state budget, while keeping the remainder and using it to expand production, pay bonuses to industrial and office workers, and increase its social insurance fund. With time and in order to ensure the rights of economic independence of enterprises, they were switched in the course of the reform in Changzhou from the system of deductions from profits to the state budget to the payment of an income tax [in the case of some enterprises the payment of a production tax—A. O.] amounting to 55 per cent of the annual profit.

The indicators of planning by decree were reduced for many enterprises, and intra-plant cost accounting began to be introduced. The entire non-industrial sphere has switched to cost accounting (kindergartens, nurseries, canteens, medical institutions, etc.). The structure of managing the economy in the city was simplified by reducing its tiers to three: economic committee—company—enterprise. It was particularly stressed that the companies ensure the work of enterprises, and not vice versa. Most of the enterprises got the right to adopt decisions without coordinating them with higher bodies. The system of the director's responsibility for production was introduced at enterprises. The director is appointed by higher bodies. He assigns management personnel to specific posts, is directly responsible for the adoption of decisions related to production and the distribution of wages. Every year the director has the right to raise the skill ratings of three per cent of the labour force.

Noticeable changes in the distribution of wages and bonuses at industrial enterprises have taken place in Changzhou in the course of the economic reform. Various forms of wages are being used: piece rates de-

pending on the volume of output, on output per 100 yuan invested in production, on the reduction of production costs per unit of output; mixed wages depending on skill rating, job, post and results of work, and "floating" wages depending on the profits of the enterprise.

Tangible changes have taken place in the city's system of commodity turnover. Trade centres were set up for the wholesale trade of consumer goods manufactured at enterprises by wholesale depots of the second and third level<sup>6</sup>, supply and marketing cooperatives and retail trade enterprises. The Wujiaochang wholesale fair is the best known trade centre in Changzhou. It was organised in August 1983 and by 1985 taking part in it were more than 5,000 representatives of 1,900 trade organisations from more than 20 provinces, cities and autonomous districts. The fair's trade turnover has reached 490 million yuan, or 47.2 per cent of the sale of goods in the city's trade network.<sup>6</sup>

Trade centres for the sale of means of production were also set up. Enterprises got the possibility to buy on the basis of advertising the machine tools, equipment or building materials that they need. One of such markets of means of production was concentrated in the Naoshi district. It was formed by six specialised companies for the production of non-ferrous metals, electrical equipment, timber, building materials, the chemical and light industry, and farm implements. The diversity of means of production offered in this market steadily expanded. Whereas in April 1981 this market offered for sale means of production of 784 types and 1,500 names, the figures for 1984 were already 1,500 and 16,600 respectively.<sup>7</sup>

Organisational and economic measures were carried out in the sphere of science and technology and the training of engineers and researchers. The research institutes in Changzhou were switched to cost accounting and were able to conclude contracts with enterprises to carry out research for them and to implement the results of research and development. An attempt was thus made to link the work of research institutions with that of enterprises.

Starting with the 1980s there were four establishments of higher learning in the city, including a chemical institute, an institute of industrial technologies, a pedagogical institute and a textile institute which train engineers and technicians for the city's industrial enterprises. The system of television universities and education by correspondence were also actively used in the course of the reform. When selecting personnel for managerial posts requiring a higher education and high professional skills many enterprises are now using a contest system. Another innovation is the employment of highly skilled engineers and scientists by several enterprises simultaneously. In 1985 more than 60 specialists, authorities in their specific fields, acted as consultants in Changzhou.

(to be continued)

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<sup>6</sup> Depots of provincial and city (county) subordination.

<sup>7</sup> *Changzhou First Upsurge*, p. 133.

<sup>7</sup> *Ibid.*, p. 136.

## KOREA: PROSPECTS FOR NORTH-SOUTH ECONOMIC COOPERATION

MOSCOW FAR EASTERN AFFAIRS in English No 2, 1987 pp 54-58

[Article by G.D. Toloraya, candidate of economic sciences]

For forty years Korea has been divided through the fault of US imperialism. The division of the nation had grave economic consequences: one integral economic system was broken in two. The effects of the termination of economic ties between the two parts of the small country were all the harder since a clearcut division of labour had existed in Korea prior to liberation: the North had mining and metallurgical industry facilities (in the colonial times their output was mostly exported to Japan), while the South specialised in agriculture and light industry.

As their socio-economic systems differ radically, the northern and the southern parts of Korea selected essentially different ways of building their economies and overcoming colonial backwardness, as well as the effects of the split. The Democratic People's Republic of Korea mobilised its own forces and concentrated efforts, with assistance from socialist nations, on making the best use of the resources available and "complementing" the national economy by building the branches and factories it lacked so as to make the economy self-sufficient. South Korea chose to rely on massive foreign-capital subsidies in building an export-oriented economy, operating mainly on imported raw materials. That road led to an even deeper dependence on the world capitalist economic system.

Today, there exist two economic patterns on the Korean Peninsula that are different in nature and structure and therefore can be regarded, in a certain sense, as mutually complementary. Establishment of economic cooperation between the northern and southern parts of Korea would undoubtedly have, above all, a great political effect, for it would promote the realisation of the Korean people's cherished dream—reunification of Korea. But even with the political status quo preserved, both sides are interested in economic interaction—and this is a very specific feature of their economic relations.

The Workers' Party of Korea and the Government of the Democratic People's Republic of Korea point out that the promotion of external economic cooperation is becoming an urgent task for the republic.<sup>1</sup> This also applies to relations with the world capitalist economic system.<sup>2</sup> However, the Republic's relations with capitalist countries are complicated by the fact that the ruling quarters in many of these countries openly pursue discriminatory policies with regard to the DPRK. South Korea also contributes to those complications, at it seeks to isolate the DPRK from its own Western allies. In the light of this, successful economic contacts with South Korea could facilitate, to a certain extent DPRK's access to Western markets, including perhaps that of the United States. At the same time, the DPRK would no longer have to resort to the mediation of international trade centres, like Hong Kong and Singapore, in purchasing goods from capitalist markets—this makes imports considerably more expensive.

<sup>1</sup> Nodong Sinmun, Jan. 26, 1984; Oct. 27, Dec. 12 1985; Feb. 26, 1986.

<sup>2</sup> The Foreign Trade of the DPRK, 1985, No. 10, p. 5 (in Russian).

South Korea, rather deeply integrated in the world capitalist economic system, could reliably ensure DPRK's contacts with the capitalist market, which would help it expand markets for selling and purchasing goods and reorient itself from distant to more convenient markets.

Both sides could profit were the division of labour that formerly existed in Korea restored, at least in part. The DPRK is rich in mineral resources; raw materials and processed products, including ferrous and non-ferrous metals, refractories, and building materials, made up more than 60 per cent of its exports in the early 1980s.<sup>3</sup> At the same time, South Korea, which has just about nothing in the way of raw materials, has to spend a lot of money importing those materials and fuel (those imports cost \$17.4 billion in 1985, that is 56.1 per cent of South Korea's overall import spending).<sup>4</sup> In its turn, the DPRK purchases in the world market, including the capitalist market, a number of commodities needed for its industries which are exported by South Korea (ferrous metals, synthetic rubber, chemicals, etc.). In recent years, South Korea has had increasing problems with marketing its export articles, mainly because of the protectionist policy of Western countries, South Korea's principal partners, and also because the price factor has been making its exported goods less competitive.<sup>5</sup>

Also, it would be crucial to pool efforts for exploiting Korea's natural resources which, it is believed in the DPRK, could be a prerequisite for advancement towards making the country an economic entity. The monthly publication of the Central Committee of the Workers' Party of Korea, *Kennroja*, has pointed out that "even with the country's unity not established, the North and the South will ensure a more rapid development of their economies if they organise cooperation and exchanges in the economic field and work together to promote the development of the national economy as a single whole".<sup>6</sup>

In line with these considerations, the DPRK has been advancing repeated initiatives throughout the postwar period concerning the establishment of North-South economic contacts.<sup>7</sup> Establishment of economic cooperation and exchanges was made part of the policy programme for the Democratic Confederal Republic of Koryo, advanced by the Workers' Party of Korea at its 6th Congress in 1980.<sup>8</sup> Under public pressure, the South Korean authorities were forced to make efforts in that direction, too (for example, a number of issues concerning economic cooperation were included in the South Korean proposals of January 22, 1982). However, the tense situation of confrontation on the Korean Peninsula impeded for many years the discussion of economic cooperation. A favourable atmosphere for dialogue was provided by the goodwill gesture of the DPRK when it rendered assistance to South Korea's flooded areas in the autumn of 1984.<sup>9</sup> That act drew a broad positive response and brought about a situation where the DPRK deemed it possible to open economic talks with South Korea. This was confirmed by the Deputy Premier of DPRK's Administrative Council, Kim Hwang, in a letter to South Korea's

<sup>3</sup> *The Democratic People's Republic of Korea*, Moscow, 1985, p. 144 (in Russian).

<sup>4</sup> *In Korea Herald*, Feb. 4, 1986.

<sup>5</sup> *Ibid.*, Jan. II, June 13, 1985; *Far Eastern Economic Review*, Feb. 13, 1986, Vol. 131, No. 7, pp. 76-77.

<sup>6</sup> *Kennroja*, 1985, No. 5, p. 87 (in Korean).

<sup>7</sup> See, for instance *The DPRK's Proposals on the Country's Reunification*, Pyongyang, 1982; *Nodon Sinmun*, Nov. 17, 1963 (in Korean).

<sup>8</sup> Kim Il Sung. *The Report of the Central Committee of the Workers' Party of Korea to the Party's VIIth Congress*, Pyongyang, 1982, pp. 88-89 (in Korean).

<sup>9</sup> On September 8, 1984, the DPRK offered to deliver some 7,200 tons of rice, 500,000 meters of fabric, 100,000 tons of cement and medicines for the victims. The deliveries were made in late September 1984. See *Nodon Sinmun*, Oct. 1, 1984; *Far Eastern Economic Review*, Oct. 11, 1984, Vol. 125, No. 41, p. 18 (in Korean).

Deputy Prime Minister, Shin Byong Hyun.<sup>10</sup> At the same time, the two sides opened talks on Red Cross cooperation and sports ties and started preparations for parliamentary talks.

The economic negotiations were opened on November 15, 1984, in Panmunjom which is situated on the demarcation line where the armistice was signed in 1953. The talks were conducted in the hall where the neutral nations' Armistice Commission holds its sessions. At 10:00 on November 15, 1984, two seven-man delegations entered that military-style hut. The DPRK delegation was led at all the rounds of the talks by Deputy Foreign Trade Minister Li Sung Rok, while the South Korean delegation was led by Kim Gi Hwang, Secretary-General of the International Economic Policy Council of South Korea's Economic Planning Agency. The main declared purpose of the talks was to establish economic cooperation and exchanges between North and South Korea.

Both sides agreed that economic cooperation should follow two principal guidelines, i. e., trade and economic cooperation. But they differed on which of these forms should be primary. The DPRK believes that economic cooperation presenting a more advanced form of collaboration is more important as a prerequisite for "coordinating the development of the national economy and ensuring joint prosperity."<sup>11</sup> During the talks, the two sides discussed a number of projects that could be carried out jointly, including, exploitation of mineral resources (e. g., coal deposits in the DPRK and non-metallic mineral resources in the South) and establishment of a joint fishing zone. The two sides also exchanged proposals on deliveries, which partly coincide. It was established during the talks that the DPRK could deliver anthracite, iron ore, magnesite clinkers, fish, and maize to South Korea in exchange for salt, sea foods (including local fish and other sea products), ferrous metals, textile and tangerines.<sup>12</sup> For the transactions involved, it was considered necessary to restore railway, road and sea-route communication between the North and the South. The DPRK proposed using the Sinuiju-Seoul railway line (which is currently out of operation), the Kyongsong-Munsan road, as well as the seaports Nampo and Wonsan in the North and the Inchon and Pohang in the South (some of these transport facilities were tested when the DPRK assistance was delivered to the flooded areas in South Korea).

Establishment and promotion of cooperation, requires, above all, a reliable mechanism for handling various practical issues and settling problems. During the second round of the negotiations, the DPRK set forth an extensive proposal on the setting up of a Joint North-South Committee for Economic Cooperation under the chairmanship of Deputy Prime Ministers from both sides. South Korea did not object to this in principle, though some differences still remain on organisational issues of secondary significance. The DPRK proposed that the Committee be composed of the co-chairmen and their deputies, plus seven Ministers or Deputy Ministers from each side; South Korea proposes that each side should have five members instead of seven. The DPRK said those members should head branch subcommittees (in which the sides should have five members each) to deal with natural resources, industries and technology, agriculture, fishing, commodity circulation, transport and communications and also finances. The South Korean side maintained that only two standing subcommittees—on trade and joint economic projects—should be set up and

<sup>10</sup> In *Korea Herald*, Oct. 18, 1984.

<sup>11</sup> *Nodon Sinmun*, May 18, 1985.

<sup>12</sup> Even with the talks still in progress, the South Korean side wanted to effect a "show transaction" and to purchase 300,000 tons of anthracite from the DPRK, but the DPRK reasonably pointed out that priority should be given not to publicity-building but to reaching agreement on the basic issues of establishing guidelines for cooperation, which would pave the way for commercial transactions. See *Nodon Sinmun*, Nov. 21, 1985 (in Korean).

that ad hoc subcommittees should be formed to deal with other issues as the need arises. The Joint Committee will have a Secretariat—the main executive body for communication and coordination.

The Joint Committee is to discuss and take decisions on the key issues of economic cooperation and to ensure that such decisions are put into effect through the subcommittees or otherwise. The work of that body, the DPRK indicates, should be based on the three principles of the country's reunification that the North and the South agreed on in the early 1970s. Those principles are: independence, peaceful reunification and great national consolidation, respect for each other's will and inadmissibility of inequality in economic relations. At the talks, the sides exchanged views on the Joint Committee's convocation and operation procedures, the regularity and venues of its meetings (they are to be held in the North and the South in turn), and on other procedural issues.<sup>13</sup>

The talks showed that the delegations of the North and the South were working to lay a solid basis for cooperation in the future. It would be natural to conclude for this purpose a comprehensive agreement on trade and economic cooperation which would include the basic guidelines regulating the work of the Joint Committee. During the third and the fourth rounds, the sides exchanged detailed drafts of the principal matters discussed at the talks.

The draft submitted by the DPRK consists of four chapters and 32 Articles. Apart from the Joint Committee's operating procedures, it specified the basic guidelines, forms, and methods of economic cooperation and mutual trade. The draft deals with the following issues: organisation of joint projects in exploiting natural resources, capital investments, delivery of goods and clearing payments, establishment of prices (in accordance with those in the world market), settlement of claims, tax and other privileges. The draft also deals with transportation of goods (including the provision of transfer points), business trips, communication, sojourn of each side's citizens on the other side's territory, and so on.<sup>14</sup>

The South Korean draft, composed of 24 Articles, deals with the same issues, but in a different order. The draft outlines a narrower range of participants in economic cooperation, proposes a different system of payments, and includes specific lists of commodities offered and of spheres for joint economic projects.<sup>15</sup> A major special feature of the DPRK position not shared by the South Korean partner is the clearcut stipulation of the three basic principles to be observed in trade and economic cooperation, i.e., respect for the above-mentioned principles of the country's reunification, mutual trust, and the orientation of economic cooperation towards consolidating an independent basis of the national economy and ensuring prosperity for the entire nation. The DPRK also maintains that the agreement should be concluded by the delegations of the North and the South, and not on behalf of the governments of the DPRK and South Korea, since it has to do with restoration of economic exchanges between two parts of one nation. Any other position, the DPRK indicates, would mean perpetuation of the forced division of the country.

The nature of the talks and discussions show that establishment of economic cooperation between the North and the South is an urgent issue. In assessing the work done in the course of the talks, it can be said that specific areas for possible cooperation have been outlined quite clearly. Even if part of the proposals made are put into effect, cooperation could acquire large dimensions (mutual deliveries of goods, for instance, may

<sup>13</sup> See *The News Bulletin of the Central Telegraph Agency of Korea*, May 18, 1985; *Pravda*, May 18, 1985 (in Russian); *Nihon Keizai*, June 20, 1985 (in Japanese); *Korea Herald*, June 21, 1985.

<sup>14</sup> See *Nodong Sinmun*, Sept. 19, 1985 (in Korean).

<sup>15</sup> *Nodong Sinmun*, Nov. 21, 1985 (in Korean); *Korea Herald*, Nov. 21, 1985.

total dozens of millions of Swiss francs). The economic development of both the North and the South could be greatly promoted by technological and economic cooperation in the exploitation of mineral resources and also exchanges of technology—similar to what the DPRK and South Korea maintain with other partners. Let us note that this cooperation was crucial for the establishment of industries in the South, where more than four-fifths of the industrial facilities were built with foreign investments.<sup>16</sup> The DPRK uses external factors in promoting its economic development, too, with Soviet economic and technological assistance alone 64 projects have been built, restored, or renovated in that country, eight others are under construction and four more are planned to be built.<sup>17</sup>

If we could disregard the political situation on the Korean Peninsula, we could justifiably state that the North-South economic negotiations are going through the final phase. But the problem here is that South Korea is propped by the United States, which constantly creates tensions on the Korean Peninsula to justify its military presence there. Washington's schemes could be utterly frustrated by normalisation of the situation in the region, which would inevitably result from the establishment of economic cooperation between the DPRK and South Korea. For this would largely explode the propaganda myths concerning "the threat from the North" which is helping the Chun Doo Hwan dictatorship suppress the democratic movement in the South. Also, the establishment of North-South economic cooperation would deal a heavy blow to the plans aimed at knocking up a military alliance involving Washington, Tokyo and Seoul. This is why on several occasions the economic talks were all but disrupted by imperialist intrigues. North-South contacts were suspended for more than six months in 1985, when the United States and South Korea conducted the Team Spirit joint military exercise. Taking that sad experience into account and seeking to promote dialogue in the economic, as well as other fields, the Democratic People's Republic of Korea came out with a proposal in early 1986 that no major military exercises should be conducted in or around the Korean Peninsula, that all manoeuvres should be stopped during the North-South negotiations. The DPRK warned that if Washington and Seoul defied this proposal they would create an unfavourable atmosphere for the talks. In spite of this, the United States and South Korea started the large-scale Team Spirit-86 exercise in the South in mid-February 1986. Li Sung Rok, who heads the DPRK delegation at the North-South economic talks, then said the exercise "cannot be regarded otherwise but evident unwillingness to pursue the dialogue".<sup>18</sup> There is no point in negotiating cooperation when guns are talking, therefore the round of the talks scheduled for that time was postponed. There was a broad understanding around the world of DPRK's justified decision to suspend all forms of dialogue with South Korea for the entire duration of the hostile manoeuvres. The Soviet TASS News Agency issued the following statement, "The USSR hopes that the United States and its partners manage to assess realistically the grave effects of further escalation of war hysteria in the south of the Korean Peninsula, heed the voice of the peaceloving forces, and quit its attempts to bully anyone with demonstrations of military might".<sup>19</sup> This would bring about a situation favourable for a successful dialogue, including economic talks, and pave the way to peaceful cooperation in Korea.

<sup>16</sup> *The Democratic People's Republic of Korea*, p. 246.

<sup>17</sup> *Far Eastern Affairs*, 1985, No. 3, p. 56; *Ekonomicheskaya Gazeta*, 1986, No. 8, p. 21 (in Russian).

<sup>18</sup> *Nodong Sinmun*, Jan. 3, 1986 (in Korean).

<sup>19</sup> *Pravda*, Feb. 9, 1986 (in Russian).

## LAW OF SUCCESSION IN CHINA

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[Article by Ye.G. Pashchenko, candidate of historical sciences]

The PRC Law of Succession<sup>1</sup>, which was adopted by the Third Session of the Sixth National People's Congress and came into force as of October 1, 1985, has become the first normative act in the sphere of China's law of inheritance.

In terms of the formation of Chinese civil law that regulates property relations in society, this law may be regarded as a regular "block" of civil legislation whose norms have so far been drafted by adopting individual laws reflecting the norms of civil relationships in general.<sup>2</sup>

The right of inheritance was for the first time entrenched in the People's Republic of China in the PRC Law of Marriage (April 1950). Article 12 of this Law established the right of husband and wife "to inherit property on a mutual basis", and Article 14 recognised the right of inheritance in the relations between parents and children as well. The Law made no difference between children born in wedlock or outside it (Art. 15).<sup>3</sup>

The first Chinese Constitution of 1954 gave statutory force to the Law of Succession. Article 12 said: "The state shall protect by law the right of citizens to inherit personal and private property."<sup>4</sup> The subsequent Constitutions of the PRC, adopted in 1975 and 1978, did not mention the Law of Succession. The citizens' right to inherit property was once again confirmed by the Constitution of 1982, individual norms relating to the institution of succession being fixed (prior to this Constitution) in the new PRC Law of Marriage (September 1980) and in the Provisional Statute of the PRC on the Notary Office (April 1982).

Thus, the new Law of Marriage, in developing the provisions of the previous Law of Marriage, established the community property of the spouses which they earned during their marital relations (Art. 13). The Statute on the Notary Office included, among the actions performed by notary offices, the certification of wills, the reception of wills to deposit them, and the issue of certificates about the right of inheritance (Art. 4). It also established the procedure of bequeathing property by the testator himself (Art. 16).<sup>5</sup>

<sup>1</sup> *Renmin ribao*, April 14, 1985.

<sup>2</sup> Wang Hanbin, Chairman of the Legal Commission of the Standing Committee of the National People's Congress, said at a meeting of the Standing Committee in November 1985 that today it is difficult to settle the problem of drafting a Civil Code as an integral normative act, not only because of the broad character and the intricacy of legal questions regulated by civil norms, but also because of the economic reform now under way in China. He also added that individual civil norms are to be found in some laws adopted since 1979. He referred to the Law of the Economic Contract, the Law of Marriage, the Law of Foreign Economic Contracts, the Law of Patents, and the Law of Trademarks. According to *Renmin ribao* (November 15, 1985), other laws are at the stage of drafting, e. g., the Law of Copyright. The results of the March-April 1986 session of the National People's Congress show that the Chinese authorities refused to introduce a civil code, a complete form of the regulation of civil legal relations, and adopted only the General Provisions of Civil Law (*Renmin ribao*, April 12, 1986).

<sup>3</sup> *The Constitution and Basic Legislative Acts of the People's Republic of China*, Moscow, 1955, pp. 476-477 (in Russian).

<sup>4</sup> *Ibid.*, p. 34.

<sup>5</sup> See *A Collection of the Legislative Acts of the PRC. 1979-1984*, Peking, 1985, p. 205 (in Chinese); *The People's Republic of China. The Constitution and Legislative Acts*, Moscow, 1984, pp. 134-135, 137 (in Russian).

The appearance in China of the normative basis of the law of succession in the form of a legislative act (before this, questions of inheritance were settled by court practice<sup>6</sup>) stems from changes in the socio-economic life of the Chinese society where the institution of succession began to exercise much more influence on relations of production. The present course of the Chinese leadership to modernise the country is the underlying cause of these broad changes. This course implies the policy of using private enterprise, of raising labour productivity on the basis of the growing role of material stimuli. The introduction of contract relations (individual, family and collective contracts) in the sphere of agricultural and industrial production<sup>7</sup>, the transfer of state and collective property (small enterprises, plots of land, implements of labour) into use by citizens on the basis of a contract (rent), the considerable extension of small private enterprise, the diversification of the types and forms of ownership in the conditions of the multistructural economy—all this leads to the growth of incomes got by the population, the growth of the scale of property (including implements of labour and means of production) disposed of by the people. Questions of succession also acquire a greater importance in connection with the growth of the property differentiation, as well as in connection with the "open doors" policy that attracts foreign property in the shape of money and investments to the Chinese economy.

The connection between the law of succession and social production, or other social relations, including matrimonial relations, makes it possible for the Chinese state to make use of the law in the interests of promoting stability of the family eliminating the extant survivals in this sphere, in part the still frequent violations of equality of the sexes. The law is also called upon to play a definite role in the matter of maintaining morality and promoting the material support of the aged and minors.

However, the Chinese Law of Succession plays a special role due to the close connection between the legal institutions of succession and the citizens' property. The current PRC Constitution says in this context: "The state shall protect the right of citizens to own lawfully earned income, savings, houses and other lawful property. The state shall protect by law the right of citizens to inherit private property" (Art. 13).<sup>8</sup> Thus, the institution of succession is justifiably treated as part of the broader question of the citizens' right of ownership.

By and large, the Chinese national system of ownership belongs to one type—the socialist system of ownership, since it is based on the principles that negate the exploitation of man by man, with the basic means of production being owned by the state and work collectives. The PRC Constitution contains a provision which says: "The system of socialist public ownership supersedes the system of exploitation of man by man; it applies the principle 'from each according to his ability, to each according to his work'" (Art. 6).<sup>9</sup>

While mirroring the stage of the state's development when the foundations of socialism were being laid down, the first Chinese Constitution identified two types of citizens' property—personal and private property. The subsequent Constitutions asserted in general terms "the citizens' right of ownership" in the context of supplying citizens with "means of

\* The limited nature of the normative basis of the Law of Succession can be seen in the instruction of the Supreme People's Court of the PRC (February 1979) to the effect that "in settling cases of succession the people's courts shall protect the lawful inheritance rights of the heirs on the basis of the Constitution, the Law of Marriage and appropriate political guidelines". *A Course of Civil Law*, Peking, 1983, p. 431

<sup>7</sup> The 1982 Constitution of the PRC (Art. 14) regards the contract system as "the socialist system of responsibility in various forms" and a method of "raising labour productivity and economic efficiency". *A Collection....*, p. 9

<sup>8</sup> *Ibid.*, p. 9.

<sup>9</sup> *Ibid.*, p. 7.

subsistence". In other words, they implied the chiefly consumer character of citizens' property.

The current Constitution has been adopted in the period when the PRC's economic system is more brightly than in the 1960s-1970s characterised by the multistructural pattern, when the legal capacity of citizens covers the exercise of private economic activity of small commodity producers, as well as of private entrepreneurs within certain limits. The Constitution highlights "the right of citizens to own lawfully earned income" (without singling out personal property) and "the right of citizens to inherit private property".<sup>10</sup>

Since the Constitution does not contain the general definition of the sphere of "lawfully owned property" and does not determine the social content of "citizens' lawfully owned property", it in fact speaks of the citizens' right of ownership regardless of their class affiliation. No less important is the fact that Chinese legislation does not stipulate (in any case so far), the methods of acquiring "private property", both the general methods of acquiring all types and forms existing in China and the specific methods for a given type.

Basing itself on the constitutional provision concerning the right of inheritance of "private property" of citizens, the Law of Succession also pursues the goal of "protecting the citizens' right to inherit private property" (Art. 1).

As for property which may be an object of succession, the law does not divide the testator's property into earned and unearned property and establishes that "inheritance is the personal lawfully earned property left after the citizen's death, which includes: a) incomes; b) a house, savings and household articles; c) trees, cattle, poultry; d) cultural and historical values and printed matter; e) lawfully owned means of production; f) copyright and property rights that follow from patent law; g) other lawful property of the citizen" (Art. 3).

In point of fact, the Law of Succession, like the Criminal Code of the PRC<sup>11</sup>, implies the different types of property: personal property whose relations underlie socialist social production, in which the law of distribution according to the work done operates, and labour private property underlying small commodity production, in which the law of value operates and which does not comprise the socialist mode of production.

Proceeding from the socio-economic characteristics of the modern Chinese society, we may conclude that individual forms of the property of two types—personal property of working people of a consumer nature and labour (chiefly small labour) private property—are the basic objects of succession in law. Moreover, the labour private property of small producers who do not employ hired workers becomes, more often than not, the object of succession in connection with the increase in the scale of small commodity production and trade both in town and country. At the same time the entrepreneurial activity of citizens who use (in a concealed form) the hired labour of "apprentices", "helpers", "relatives", etc., is one of the new specific features of the Chinese reality. Therefore, in some cases the labour private property may assume the features of capitalist, exploiter property.

<sup>10</sup> Some other legislative acts—the PRC Law of the Organisation of People's Courts (Art. 3), the PRC Law of the Organisation of the People's Procurator's Offices (Art. 4), the PRC Criminal Code (Art. 2, 10, 82, 150, 152, 154, 156) use the formulation "Privately-owned lawful property".

<sup>11</sup> Art. 82 of the Criminal Code points out indirectly the sphere of property to which the right of private ownership extends, and the purpose of this property. It says: "By privately-owned lawful property this Code implies the following: 1) the lawfully earned income, savings, houses and other means of subsistence of citizens; 2) house-and-garden plots, domestic animals, trees and other means of production belonging to individuals and families or used by them". *A Collection....*, p. 115

Simultaneously, due to the change in the policy of the Chinese leadership vis-à-vis the former national bourgeoisie (basically small and middle capitalists)—the return to them of bank deposits in China and outside it, and of immovable property confiscated during the "cultural revolution"—with the aim of attracting its representatives into economic construction, the inheritance of private property by this category of the population also becomes the object of regulation by the Law of Succession.

Some features of this law openly and convincingly confirm its purpose—to secure the implementation of the socio-economic policy, mentioned above. For instance, the law does not have a provision on the maximum amount of property descended by inheritance. This circumstance must be assessed as the one aimed at the maintenance of the population's well-being and the promotion of citizens' entrepreneurial activities.

The close connection between the Chinese law and politics may be borne out by the following circumstance as well. The law regards property descended by inheritance as a single whole, that is, it proceeds from general or universal succession in law. In accordance with this provision, inheritance means the descent of the testator's property rights and obligations (assets and liabilities) to the heirs, following his death. Article 33 of the law provides for the heirs' duty of paying off debts and taxes left after the testator's death, within the actual value of the inheritance. As a possible object of succession the law also mentions the individual contract as an obligation of a property-organisational character. "If the law allows the heir to continue to execute his contract, the individual contract shall be executed in accordance with the contract of work" (Art. 4).

The Chinese Law of Succession has a number of aspects mirroring as they do the specific features of public life in this state of long-standing traditions and customs. It also mirrors the generally accepted moral standards. For example, the provisions of the law convey the spirit of respect for the elders and concern for parents and the aged. It regards the care for the aged testator as the heirs' duty.

The law says about the increase in the *portio legitima* of the heirs who played the principal role "in discharging the duty" of maintaining the testator, or lived together with him. And, on the contrary, the heirs who were able to maintain the testator but failed to do so, do not get their *portio legitima* at all or receive it in a reduced amount (Art. 13).

The distinguishing features of the law are to be found in the combination of norms which are generally accepted in the hereditary institutions of other states, including the socialist ones, with those rather rarely occurring in the laws of succession. For example, the law provides for the possibility of inheritance on two grounds: either by operation of law or under a will. In accordance with this general principle, inheritance is effected by operation of law in the absence of a will, and under a will if the latter exists (Art. 5). At the same time the law contains a non-standard norm (from the standpoint of the law of succession) about the so-called testamentary gift, another ground for the distribution of the testator's property. This norm is due to display concern for the disabled and to observe the procedure of burial which is known to have been of great importance in China from time immemorial. The law provides for the possibility of concluding a contract on the testamentary gift during the lifetime of the testator, under which another person assumes the duty of maintaining the testator and of taking care of his funeral after the latter's death (Arts. 5 and 31). This kind of contractual relations may be established under collective ownership. Since in terms of civil law the testament is regarded as

a unilateral transaction (for the making of which actions of one party are enough, and there is no need for the last will of the other party), the norm about the testamentary gift should be considered to be a kind of a bilateral onerous contract. One party to this contract is the testator and

the other party is the person who has the right to receive definite property of the testator after his death. As distinct from the testament that takes effect after the testator's death, this contract enters into force after it is concluded.

Of some interest are also the provisions of the *Law on the Procedure of Compiling the Testament and Its Form*, which are aimed, as in the case of the law of succession in other states, at avoiding doubts and vague points regarding the deceased person's last will, because this reflects many of the realities in China today.

Proceeding from Articles 17 and 20 of the law, we may conclude that testaments are allowed in various forms. In the first place we see the notarially certified testament which cannot be repealed or changed by testaments compiled in a different form. However, bearing in mind the fact that for most citizens it is difficult to apply to a notary office to have a testament compiled, because of an extremely small number of such offices functioning, as a rule, in large cities, the law allows for such a form as the autographic testament, which is drawn up, signed and dated by the testator himself. Taking into account the low level of literacy of the population, the law also allows the possibility of drawing up a testament in writing by one of the present witnesses, and not by the testator himself; after which other witnesses and the testator sign the testament. The testament in the form of sound recording may be drawn up also in the presence of witnesses, and in the oral form under emergency. In all the cases listed above, the presence of no less than two witnesses is the indispensable condition for the validity of the testament. Therefore, the law requires that the witnesses should comply with special conditions, stipulating that legally unfit persons, partially capable persons, heirs, persons endowed with gifts and also persons who are connected by common interests with heirs and persons receiving gifts cannot act as witnesses (Art. 18).

As shown above, the similar specific features of the normative regulation of the institution of succession in the RPC, connected with the objective conditions of the life of citizens, are combined with the generally accepted norms of the law of succession. But the concrete content of these norms also shows the purpose of the law—to safeguard the interests of the gainfully employed population in the light of the current socio-economic policy. No wonder that Article 29 of the law stipulates that "the division of the inheritance [both in the event of inheriting by operation of law and under a will—Y. P.] shall promote the people's economic and everyday requirements and shall not prevent the useful employment of the estate".

There are grounds to believe that inheriting by operation of law will be the main type of inheritance in China in the context of the extremely low level of the population's legal consciousness and the acute shortage of lawyers, including the workers engaged in rendering legal aid to the population.

In considering the procedure of inheritance by operation of law, we must bear in mind that the lawgiver, while determining the group of lawful heirs and the distribution of the estate among them, proceeds both from the desired distribution of the entire estate, from the consideration of typical inter-family relations and the conception of the most probable group of persons to whom the testator would want to descend his inheritance.

Acting on the principle of the equality of men and women in their right of inheritance, on the close kindred connections and marital life, and taking into account the possibility of upbringing foster children in the family, the Chinese law includes among the lawful heirs a considerable number of persons: the spouse, children (including natural and

foster children), parents (including foster parents), brothers and sisters (full and half-brothers and sisters, and also foster brothers and sisters), the grandfather and the grandmother both on the father's and mother's side. Moreover, the lawful heirs may include grandchildren in the event if, by the time of the opening of inheritance, the parent who would inherit by right of representation, has died. The total list of possible heirs is thus rather great, and had they been summoned to take up the inheritance at once, the estate would have been fragmented excessively and the degree of kinship would have actually played no part. Therefore, the Chinese law, like other institutions of succession, establishes priorities in calling citizens to inherit. In accordance with this rule, the heirs of the second category are debarred from succession in the presence of the heirs of the first category. Under the law, the heirs of the first category who inherit in equal shares (Art. 13) include the nearest relations—the spouses, children, and parents. A distinguishing feature of the law is that it allows the possibility of extending the range of the heirs of the first category, and of including in it the relations of the husband (wife)—a son-in-law or daughter-in-law, who played the principal role "in discharging the duty of maintaining" their fathers-in-law and mothers-in-law (Art. 12).

It is worthy of note that the law pinpoints the spouse and not the testator's children among the heirs of the first category. Moreover, the range of the lawful heirs of the first category is contracted (as compared with other countries' law): they do not include children conceived during the testator's lifetime and born after his death. The law stipulates that the share of a still unborn infant shall be provided for during the division of the inheritance (Art. 28). In other words, the maintenance of such children is left at the discretion of the heirs. The non-recognition of a still unborn infant as a lawful heir seems to reflect the striving to avoid the excessive fragmentation of the inheritance and the consistent government policy of birth control.

Perhaps the main distinguishing feature of the Chinese law that contrasts with its orientation toward the maintenance of the testator (that is, first of all, parent) during his lifetime, is the absence of a norm determining the range of obligatory heirs—the nearest relations and outsiders from among the dependents who, by virtue of minority or incapacity for work under all circumstances—both in the case of inheritance by operation of law or under a will—must receive a strictly fixed share. The law establishes that in the event of the division of the inheritance (by operation of law) "consideration shall be taken of the position of the heirs who are incapacitated for work due to specific difficulties of their life" (Art. 13), while the maintenance of dependents from among outsiders is allowed in this case only as a possibility (Art. 14).

As for the surviving spouse, in the event of the division of the property earned during the period of marital relations, he receives half of this property, the rest of it being considered the inheritance, from which, according to Article 13, the spouse must also receive his or her share along with the other heirs of the first category. The share of the spouse allotted to him or to her from the community property may be increased or decreased, depending on the agreement reached during the testator's lifetime (Art. 26).

This kind of regulation of the procedure of inheritance by operation of law, applied in a typical case, quite definitely provides for the purpose of redistributing the bulk of the inheritance within the testator's family, and primarily among adult able-bodied relatives. This approach ensures a high degree of stability of the population's economic activities. The economic stability can also be facilitated by the provisions of Articles 13 and 15, which allow for the division of the inheritance between its heirs on the basis of agreement reached by them, that is, in unequal shares.

In the event of inheritance under a will, the estate passes to the persons appointed by the testator as his heirs. In other words, the testator gets the possibility of taking account of the case that differs from the typical one. However, the freedom of testamentary disposition is regulated legislatively, that is, limited by the scope of the law.

The Chinese procedure of inheritance under a will also has a characteristic feature. The law does not contain a norm under which the testator may bequeath his or her property to any person who does not enter the group of lawful heirs. In restricting the freedom of wills, Article 16 says: "In respect of personal property the citizen may indicate in his or her will one or several heirs by operation of law." The possibility of the withdrawal of property beyond the framework of the deceased person's family is only allowed in the case of the bestowal of personal property. But in the first place the law names the state or the work collective, and only after these—the person who is not a lawful heir, as gift recipients. Thus, the regulation of the freedom of testamentary disposition in favour of the testator's family reflects the striving of the state to promote the growth of family well-being; it is dovetailed with the traditions of family building in China, and also pursues the same purpose, as in the case of inheritance by operation of law—the safeguarding of the interests of the gainfully employed population in the conditions of the economic reform.

The development of China's economic relations with foreign countries in the shape of the "open doors" policy, the course toward the use of capitals owned by foreign Chinese and *huqiao* in national economic construction, called for the introduction into the Law of Succession of norms of private international law, which are usually prescribed by civil codes. The Chinese law contains two kinds of connecting factors for settling cases of inheritance, associated with a foreign element, that is, in the event of a PRC citizen succeeding the property located outside China, and of a foreigner succeeding the property located in China. The personal law of a testator operates with respect to movable property, and *lex loci rei sitae*—with respect to immovable property (Art. 35 and 36). Worthy of note is the circumstance that the testator's personal law has been chosen in the form of *lex domicilii* (e. g. the law of the state on whose territory a given person is considered to be residing permanently) and not in the form of the law of citizenship. This kind of the solution of the question about the application of a foreign law with respect to movable property in cases of inheritance makes it possible to take account (in a more flexible way) of interests of foreign Chinese and foreigners who invest their capitals in joint, "cooperative" enterprises in the PRC and participate in standing surely for the processing of raw materials.

From the legal point of view, the Chinese institution of succession must be regarded as the one which, by and large, corresponds to the fundamental principles of socialist civil law and which has many progressive norms, similar to those entrenched in the legislation of socialist countries. In addition to such norms as the equality of citizens in their legal capacity regardless of their sex, the recognition of the right of inheritance for persons who were closely linked with the testator during his lifetime, the inclusion of a spouse in the circle of heirs of the first category on an equal basis with them, the law also mirrors the principle of combining personal and social interests, allowing for the passage of the inheritance to the state or work collective as a gift. By stipulating a sufficiently large group of lawful heirs, the law takes into account the consolidation of new, socialist relations in the Chinese family.

The Law of Succession, being a component part of nascent Chinese civil law, shows that this system is bound to possess its own specific features, and its analysis will be of importance for the definition of the specificity of building socialism in China.

## INDUSTRIAL EXPORT OF SOUTHEAST ASIAN NON-SOCIALIST COUNTRIES

Moscow FAR EASTERN AFFAIRS in English No 2, 1987 pp 66-76

[Article by A.S. Akopyan, candidate of economic sciences, and G.I. Chufrin, candidate of economic sciences]

The early 1980s witnessed dramatically deteriorating overall economic situation against the background of mounting global restructuring of the world capitalist economy, coupled with problems that piled up in areas such as raw materials, power supply, ecology, finance, sociology, etc. Under conditions of increasing inter-imperialist rivalry over spheres of "interest" the unfolding of these complicated interwoven processes has a direct bearing on the sum total of international economic relations. Deficit of balance of trade and payments in the majority of capitalist countries has grown into a chronic disease. As competition on the world market in the 1980s became more acute, and fluctuation of prices for raw materials increased, the problem of external debt crisis aggravated to the utmost, incurring instability to the dynamics of prices for manufactured goods.

These new developments have had particularly adverse effect on the overwhelming majority of the developing countries entailing serious complications in their struggle to strengthen their economic independence. In the realm of international economic relations this struggle is manifested, among other things, in the former colonial and dependent countries' desire to alter their status chiefly as suppliers of mineral resources and agricultural raw materials on the world market. As a consequence, in the 1960s, the trend towards manufactured goods occupying bigger share within the export structure of newly-free countries was noticeably on the rise. Whereas in 1960 the share of these goods against the total export cost of the developing countries accounted for 9.1 per cent, a decade later it already stood at 15.9 per cent, with absolute industrial export output increasing 3.5-fold during these years. Although in the mid-1970s due to soaring world oil prices the relative volume of manufactured goods export went somewhat down, by the early 1980s the growth of manufactured goods share in the developing countries' exports recovered, reaching 26 per cent in 1983. It should be noted that for almost a quarter of a century exports of manufactured goods have been the steadiest in the overall export structure of the developing countries, invariably growing in absolute terms with each passing year (see Table 1).

This phenomenon directly reflects the process of industrialisation in the former colonial and dependent countries. That is why initially it largely stemmed from the fact that industrial products were exported by those countries that had embarked on intensive development of the manufacturing industries earlier than other nations had. Consequently, by the mid-1960s India, Pakistan, Argentina, Brazil and Mexico became primary exporters of industrial goods, accounting for nearly 30 per cent of the developing countries' aggregate industrial export cost. However, by the early 1970s, the so-called newly-industrialised countries and terri-

Table I

## Dynamics of Manufactured Goods in the Developing Countries' Exports

Years	1960		1965		1970		1975		1980		1981		1982		1983**	
	\$bln	per cent	\$bln	per cent												
Total exports	27.4	100.0	37.7	100.0	55.9	100.0	210.9	100	558.6	100	545.4	100	478.0	100	448.0	100
Export of manufactured goods*	2.5	9.1	3.9	10.3	8.9	15.8	30.4	14.4	95.7	17.1	111.3	20.4	108.5	22.7	116.5	26.0

\* International statistics includes in this definition goods which are specified by the UN Standard International Trade Classification as: No. 5—chemical products; No. 6—manufactured goods specified according to the type of material they made of; No. 7—machines, equipment and means of transportation; and No. 8—different manufactured goods, with the exception of positions 67 (ferrous metal products) and 68 (non-ferrous metal products).

\*\* Evaluation

Sources: Yearbook of International Trade Statistics—1982, Vol. I, New York, 1984;  
Handbook of International Trade Statistics—1984, New York, 1984;  
International Trade 1983/84, Geneva, 1984.

tories—South Korea, Singapore, Hong Kong and Taiwan—moved to the forefront among the exporters of industrial products in the developing world. In 1970, they accounted for one-third of the developing countries' industrial exports, while the share of India, Pakistan, Argentina, Brazil and Mexico shrank to 22.7 per cent. It is noteworthy that such beefed-up significance of the newly-industrialised countries in exports derived not only from the restructuring of their economies on the basis of priority growth of manufacturing industries but also from their choice of export-oriented model of development which demanded that the greater part of industrial output be exported to the world market. It is equally important that the establishment of this model was prompted by internal laws of the newly-industrialised countries' economic growth and mirrored the more general regularities inherent in the development of the world capitalist economy, namely, heightened interest of transnationals in lowering production costs by shifting labour- and, partially, capital-intensive branches to the developing countries.

In the 1970s, Colombia, Peru, Uruguay, Morocco, Kuwait, Jordan and Sri Lanka joined the ranks of developing countries exporting industrial goods. In Southeast Asia, the other ASEAN countries (Indonesia, Malaysia, Thailand and the Philippines) followed Singapore on the rails of export orientation. All in all, towards the mid-1970s, the number of countries exporting not less than \$100 million worth of industrial goods per year, increased to 40, as compared with 14 in 1965.

The emergence of a new stream of industrial goods exporters resulted, first, in further growth of industrial exports from the developing countries and, second, in yet another redistribution of their share against the overall export cost. Consequently, the aggregate volume of industrial exports rose from \$30.4 billion to \$116.5 billion (in current prices) between 1975 and 1983. The incessant growth of ASEAN's share in the industrial exports of the developing countries has asserted itself as an important trend. Whereas in 1970 it amounted to a mere 6.6 per cent, in 1975 the figure was 9.5 per cent, and in 1981—13.5. As a result the ASEAN countries held a leading place in the developing world as regards the volume of exports of manufactured goods (for comparison: in 1981, the share of Brazil and India in the exports of the developing countries was 12.5 per cent). Moreover, three countries (Singapore, Malaysia and Thailand) are now listed among the top ten industrial exporters in the developing world.

#### THE STRUCTURE OF ASEAN'S INDUSTRIAL EXPORTS

The growing importance of this particular region in the industrial exports of the developing countries was triggered by accelerated development of manufacturing industries in the ASEAN countries beginning in the late 1960s. This development entailed a bigger share of the manufacturing industries products costs within the GDP between 1967 and 1983: in the Philippines from 18.3 to 24.8 per cent; in Singapore—from 16.5 to 24.1 per cent; in Thailand from 15.4 to 18.6 per cent; in Malaysia from 11.2 to 18.0 per cent, and in Indonesia—7.3 to 12.5 per cent.<sup>1</sup> These countries utilised both models of industrialisation: import substitution and export orientation. However, in the 1960s, the ASEAN countries predominantly used the import-substitution model for their industrial development, while in the 1970s they switched over to the utmost development of export-oriented industries. Consequently, in the early 1980s, the share of manufacturing industries in the overall volume of exports grew in

<sup>1</sup> ESCAP. *Statistical Yearbook for Asia and the Pacific—1973*, Bangkok, 1973, pp. 142, 239, 335, 354, 386; *UN Monthly Bulletin of Statistics*, New York, February 1985, p. XCII-XCV.

Singapore from 26 per cent in 1960 to 50 per cent; in the Philippines from 7 to 24 per cent; in Malaysia—6 to 28 per cent; in Thailand—2 to 23 per cent. In Indonesia, however, it stood at just 5 per cent.<sup>2</sup> Outpacing by a wide margin the average growth rate in the manufacturing industry, the volume of industrial exports during the 1970s and the beginning of the 1980s increased in Singapore and the Philippines by 32-33 per cent and in Malaysia and Thailand—23 per cent.<sup>3</sup> On the whole, between 1970 and 1982 the annual average growth rate of ASEAN industrial exports was about 30 per cent.

The branches of industry which received fresh impetus for development at the stage of import substitution—specifically textiles and production of clothing—occupy a prominent place in ASEAN exports. By the late 1970s, ASEAN accounted for some 2.5 per cent of the capitalist world's textile trade, including 10 per cent of textile exports from all the developing countries (discounting Taiwan, Hong Kong and South Korea the figure was over 30 per cent). Although in the early 1980s the textile industry developed at a particularly rapid pace in Indonesia, so far the key manufacturers and exporters are Singapore and Thailand which account for more than 60 per cent of the textile exports from the ASEAN countries.

Between 1976 and 1982, the textile and sewing industries in ASEAN increased their annual exports by an average of 25 per cent, thereby stipulating the growth of their share in the total cost of the ASEAN countries' export. For example, the share of textiles in the overall export costs throughout these years grew in Thailand from 8.4 to 11.8 per cent; in the Philippines from 5.5 to 8.4 per cent; in Malaysia—2.5 to 2.8 per cent, and in Indonesia—0.1 to 0.8 per cent.<sup>4</sup> At the same time, in ASEAN industrial exports per se, the share of these branches began to decrease gradually in the late 1970s, spurred by the priority growth rate of engineering and electronic industries exports. While in 1979 the share of textiles and clothing in the ASEAN export costs was 17.9 per cent, in the following two years it dropped to 16.1 and 15.9 per cent respectively (see Table 2).

The output of the wood-working industry figures prominently in ASEAN exports, although since the second half of the 1970s its share has somewhat decreased against the total export cost. In Malaysia, for instance, this figure went down from 9.1 in 1976 to 6.0 per cent in 1982; in the Philippines from 7.1 to 5.6 per cent; in Singapore—3.6 to 1.9 per cent, and in Thailand—2.7 to 0.9 per cent. In Indonesia, by contrast, it grew more than 3-fold, that is from 0.7 to 2.4 per cent.<sup>5</sup> The wood-working industry of the ASEAN countries is based on considerable timber resources, with precious tropical species which are in high demand on the world market being prevalent. The region accounts for almost 50 per cent of world export of tropical timber, mainly from Indonesia, Malaysia and the Philippines.<sup>6</sup> The primary processing operations include sawing, and production of plywood and furniture. Although the wood-working factories are largely oriented to domestic markets, approximately 15 per cent of their output (especially as regards plywood and furniture) are nevertheless designated for export.

<sup>2</sup> Donald K. Crone, *The ASEAN States: Coping with Dependence*, New York, 1983, p. 98; *Transnational Corporations in World Development*, Third Survey, 1983, No. 4, p. 375.

<sup>3</sup> ESCAP, *Economic and Social Survey of Asia and the Pacific—1978*, Manila, 1979, p. 85; *Transnational Corporations in World Development*, Third Survey, p. 375.

<sup>4</sup> *Yearbook of International Trade Statistics—1982*, Vol. 1, New York, 1984, pp. 499, 805, 971.

<sup>5</sup> *Ibidem*.

<sup>6</sup> UNIDO, *Industry in a Changing World*, New York, 1983, p. 349.

Table 2  
The Structure of ASEAN's Industrial Export

Commodities and groups of commodities	1976		1979		1980		1981		1983	
	\$min	per cent	\$min	per cent	\$min	per cent	\$min	per cent	\$min	per cent
1. Textiles	267.3	7.3	929.2	8.7	1,001.2	7.3	946.7	6.4	1,012.6	5.7
2. Clothes	246.0	6.7	986.0	9.2	1,206.6	8.8	1,416.8	9.5	1,535.8	8.7
3. Plywood	193.8	5.3	435.3	4.0	473.2	3.4	568.1	3.8	1,247.1	7.0
4. Other types of timber products	58.9	1.6	299.0	2.8	324.5	2.4	352.0	2.4	153.8	0.9
5. Photo appliances, optics, clocks and watches	139.1	3.8	236.9	2.2	280.9	2.0	321.6	2.2	251.7	1.4
6. TV sets, tape recorders, radio sets and record-players	263.0	7.2	915.1	8.5	1,496.4	10.8	1,497.2	10.1	1,476.7	8.4
7. Transistors, diodes and micro-circuits	468.3	12.8	2,063.7	19.3	2,375.9	17.2	2,314.3	15.6	3,417.0	19.3
8. Machines and equipment	806.1	22.1	2,362.2	22.1	3,425.0	24.8	3,883.5	26.1	4,638.0	26.2
9. Chemical products	293.8	8.1	791.3	7.4	960.7	7.0	1,045.8	7.0	1,287.6	7.3
10. Other types of ready-made products	916.6	25.1	1,694.1	15.2	2,252.2	16.3	2,516.9	16.9	2,673.0	15.1
Total	3,652.9	100	10,712.8	100	13,796.6	100	14,862.9	100	17,693.2	100

Sources: *Yearbook of International Trade Statistics—1978*, Vol. I, New York, 1979.

*Yearbook of International Trade Statistics—1982*, Vol. I, New York, 1984.

*Handbook of International Trade Statistics—1984*, New York, 1984.

*Commodity Trade Statistics 1982*, New York, 1984, Series D., Vol. XXXII, No. I-21.

*Commodity Trade Statistics, 1983*, New York, 1985, Series D., Vol. XXXIII, No. I-4, I-15, I-16.

Sectors of the economy which work almost exclusively for the needs of the external market have a major role to play in the industrial structure of the ASEAN countries. The emergence of these sectors is the direct result of economic policies pursued by these states to attract foreign capital into the export industries so as to expand the sources of foreign currency earnings, raise employment, etc.

The number of enterprises in this sector of the manufacturing industry grew rapidly in the 1970s. In most instances they were virtually separate links within the framework of the production structure of foreign monopoly capital, transnationals above all, which in fact predetermined their enclave nature. The bulk of these enterprises were set up in the so-called export production zones (EPZ) and in free trade zones (FTZ). Towards the early 1980s there were 15 such zones in the region: in Malaysia—8, the Philippines—3 and Singapore—2<sup>7</sup>. The sectoral structure of these zones is a true motley of industries producing consumer goods (cameras, umbrellas, sportswear, toys, etc.), as well as the manufacture and assembly of various electrotechnical and electronic appliances, oil-drilling equipment, ship-building, etc.

The output of electrotechnical and electronic industries is most dynamic in the assortment of products constituting the ASEAN exports. A vi-

<sup>7</sup> *Development Papers, St. (ESCAP) 228*, p. 73.

vid example is the semi-conductors production in the Philippines, the share of which in 1973 was just 1 per cent of the aggregate export value. In 1981, however, it soared to almost 20 per cent of all exports thus surpassing the level of traditional Philippine export item, sugar.<sup>8</sup> On the whole, between 1975 and 1981, ASEAN exports in, say, home electronic appliances grew 7-fold, while that of photo appliances, clocks and watches increased 2.3 times. The export of transistors, diodes and microcircuits (which placed the ASEAN countries among the world's leaders by the early 1980s) also increased rapidly. Singapore became ASEAN's leading manufacturer and exporter of these commodities: in 1983 it accounted for over 5 per cent of the world's production of microcircuits.<sup>9</sup>

The bulk of ASEAN's industrial exports, i. e., from 60 to 80 per cent, is intended for the developed capitalist countries. The share of the EEC countries, primary recipients of ASEAN textile goods, has increased from 9 to 35 per cent. Other industrialised capitalist countries' share in ASEAN's textile exports in the late 1970s was as follows: Japan—6.2 per cent; Australia and New Zealand—9.4; US and Canada—18.8.<sup>10</sup> Japan is one of the major customers of the ASEAN wood-working industry. The US market is crucial in this sphere, since more than 50 per cent of American imports from ASEAN are ready-made products.<sup>11</sup> Since the second half of the 1970s and especially in the early 1980s, a new tendency emerged—that of increasing exports of manufactured goods to other developing countries, which fact beefed up the latter's share in ASEAN exports of certain commodities (electronic home appliances, chemical products, etc.) to reach 15 to 20 per cent. However, the developed capitalist countries remain the primary markets for ASEAN industrial goods, thus determining to a greater extent its pattern, dynamics and problems of realisation.

#### PROTECTIONISM

As the volume of industrial exports increased, the ASEAN countries began to face more difficulties in marketing their products in the developed capitalist countries which are their main trade partners. This can be explained, primarily, by the fact that as a result of the sharpening crisis of the world capitalist economy, in the mid-1970s there followed a protracted recession of production, under-utilisation of production capacities and acute unemployment in the main capitalist centres—the US, Western Europe and Japan. This, in turn, triggered rigid measures of state-monopoly control over foreign trade which was implemented through rapid and large-scale introduction of trade restrictions. Consequently, the trend towards liberalisation of the world capitalist trade, which had been characteristic of the entire postwar period, gave way to a staggering growth of protectionism.

In 1979, the participants in the 7th GATT Trade Conference (named the "Tokyo Round") agreed to reduce customs tariffs on industrial products by an average of 33 per cent between 1980 and 1987. But the marketing situation continued to worsen for these products. The reason for this was the developed capitalist countries' active use of new, nontraditional, trade restrictions, not subject to GATT rules, along with classical customs-tariff protectionist measures. They include the so-called voluntary agreements on export restrictions, the lopsided choice of imported commodities, tougher policy vis-à-vis technical norms and require-

<sup>8</sup> *Business Day*, Manila, 1983, Feb. 17.

<sup>9</sup> *Straits Times*, (Singapore) Aug. 31, 1984.

<sup>10</sup> *The Developing Economics*, Vol. XXI, New York, 1983, pp. 310-311.

<sup>11</sup> *Business America*, Washington, Vol. 5, No. 5, 1982, p. 2.

ments, etc. However, not all these non-tariff restrictions went outside the framework of GATT rules. In 1974, GATT concluded and then twice extended the International Agreement on Textiles which introduced restrictions on textile imports in the developed capitalist states. The use of anti-dumping and compensation duties is another protectionist measure which formally comes within the GATT jurisdiction documented in the 1979 Anti-Dumping Code and the Code on Subsidies.

Along with the overall growth of protectionism, the broadening system of import restrictions in the capitalist countries affects the interests of the developing states to the utmost. Calculations made by the Indonesian economist Djisman Simandjuntak testify to the discriminatory nature of modern protectionism with regard to the developing countries.<sup>12</sup>

The main target of the developed capitalist countries' protectionist policies are labour-intensive industrial products which constitute the backbone of the young nations' industrial exports. An analysis of foreign trade transactions practised by major capitalist states shows that they put up the highest tariff and non-tariff barriers precisely to block off these products. The Secretariat of the UN Economic and Social Commission on Asia and the Pacific (ESCAP) issued a report in 1984 stressing that "textiles, clothing, footwear and other items that are labour-intensive in production are subject to the most severe non-tariff barriers... These products are particularly important in the basket of exports of many developing countries in the ESCAP region".<sup>13</sup> As a result almost 65 per cent of imported industrial goods from the developing countries come under protectionist restrictions, including 50 per cent under non-tariff restrictions.<sup>14</sup>

Clearly, such unfavourable trends in the development of international trade also affect the interests of exporters of manufactured products from ASEAN. On the US market they encounter serious restrictions for their industrial exports: this refers to textiles, clothing, footwear and television sets. Americans increasingly resort to anti-dumping measures against ASEAN exporters under the pretext of countering export subsidies. During the first six months of 1984 alone, the US Department of Commerce heard 13 cases brought by American textile manufacturers who charged the ASEAN countries with resorting to export subsidising.<sup>15</sup> In early March 1985, the US introduced new restrictions for textile imports which had a direct bearing on ASEAN interests. Indonesia followed suit after Singapore and Malaysia to become a target of protectionist measures on the American textile market. The US government blamed Indonesia for using export subsidising methods after it had jumped up from the 22nd to 10th place among major exporters of textiles to the US towards the end of 1984.<sup>16</sup> During talks between the two trade partners that followed, Indonesia had to sign an agreement with Washington on textile exports for three years. It provided for the introduction of extra quotas on exports of 11 types of fabric and clothes, and defined general quantitative restrictions on the volume of Indonesia's textile exports to the US market.<sup>17</sup>

At the May 1985 conference of ASEAN chambers of commerce and industry held in Manila and attended by over 100 businessmen from six member-countries, these US measures were considered as discriminatory and contradicting the GATT rules which demand that in using anti-

<sup>12</sup> Djisman Simandjuntak, "Problems and Perspectives of the ASEAN-EEC Economic Cooperation", *The Indonesian Quarterly*, Vol. XI, 1983

<sup>13</sup> ESCAP. *Economic and Social Survey of Asia and the Pacific—1984*, Bangkok, 1985, p. 16.

<sup>14</sup> *Foreign Trade*, 1985, No. 8, p. 49 (in Russian)

<sup>15</sup> *Far Eastern Economic Review*, Vol. 125, 1984, No. 32, pp. 44-48

<sup>16</sup> *Ibid.*, Vol. 126, 1984, No. 44, pp. 79-80

<sup>17</sup> *Asian Wall Street Journal Weekly* (Hongkong), July 8, 1985

dumping and anti-subsidising measures account be taken of the developing countries' situation.

According to the trade bill passed by US Congress in late 1984, still harder protectionist measures were taken with regard to the young nations. The term of general preferences was extended for another 8.5 years. However, the developing countries were now liable to get them only provided they boost their imports of American goods. Such condition devalues the very essence of the system of non-reciprocal general preferences which was set up on UNCTAD recommendations. The same bill rules more severe anti-dumping measures, quotas on footwear and a series of other non-tariff restrictions which received a rather negative response from the ASEAN members.

In the opinion of the Chief of the ASEAN-US Business Community Committee, William Tucker, the Association "countries resent the growth of US protectionism... and feel it demonstrates an unwillingness to understand their problems."<sup>18</sup> The article which carries this admission has quite eloquent heading "US Protectionism Threatens ASEAN". This is how the Association looks at American actions heavily damaging the very idea of export orientation which underlies the model of ASEAN's economic development.

The situation is worsened further by the fact that ASEAN's exports are at odds with tariff and especially non-tariff restrictions on the markets of the Association's two other major trade partners—Japan and the EEC, although this contradiction may be not so acute as on the US market.

As for Japan, the ASEAN countries face major difficulties while selling it their farm produce. With regard to imports of finished products, Japan is likely to make some concessions once in a while. For example, in April 1982, Japan announced its readiness to reduce customs duties for 1,653 products from ASEAN two years ahead of the term agreed on within the GATT framework.<sup>19</sup>

At the same time Japan is reluctant to relax customs duties on some finished products, and sometimes even ventures either uncovered or, more often, latent restrictions on their import. Plywood is one of such products imported extensively by Japan from Malaysia, the Philippines and especially from Indonesia. Between 1981 and 1984, the volume of Japanese imports of glued plywood from ASEAN increased 7-fold, with 90 per cent of imports coming from Indonesia. Plywood imports from Indonesia and other ASEAN countries could be still bigger had it not been for the customs duties which are higher than for US goods. Customs duties for Indonesian deciduous glued plywood are 20 per cent against 15 per cent for the coniferous one bought in the US. Such blatant discrimination in customs tariffs triggers serious discontent among the ASEAN members. President Sukarto of Indonesia brought it to the attention of a group of Japanese businessmen led by Inayama, Chief of the Japanese Federation of Economic Organisations, which paid a visit to Jakarta in January 1985.<sup>20</sup>

ASEAN's industrial exports to the EEC market face serious plight beginning in the late 1970s, which was caused by mounting crisis in the Common Market economies and, as a consequence, by strengthening protectionism in their foreign trade. Whereas in July 1975, the EEC countries lowered import duties on some finished goods from ASEAN, including plywood, in 1976-1977 liberalisation of customs procedures gave way to severe restrictions. Plywood, textiles and clothing suffered quantitative

<sup>18</sup> William C. Tucker, "US Protectionism Threatens ASEAN", *Asian Wall Street Journal Weekly* (Hongkong), Oct. 22, 1984, p. 16.

<sup>19</sup> *Foreign Commercial Information Bulletin* (FCIB), May 15, 1982.

<sup>20</sup> *Daily Yomiuri* (Tokyo), Jan. 25, 1985.

limitations.<sup>21</sup> The EEC's introduction of restrictions for imports of electronic home appliances, ships and ship equipment also badly damaged ASEAN's industrial export.

Protectionism exercised by the developed capitalist states is, in fact, an attempt to rectify the law of an uneven economic development in the sphere of international economic relations. To put it in a different way, it is geared against those national companies in the developing world whose products have of late proved capable of being competitive on the world market. This situation, common for the general character of relations between the developed and developing countries, is fully applicable to the ASEAN countries and tangibly affects the development of their industrial exports. Another factor that influences ASEAN's exports (probably more than any other group of developing nations) is that a considerable portion of the exported goods is produced by enterprises controlled by foreign capital. Indeed, in the 1970s, direct private foreign investment in the developing countries of Asia grew particularly rapidly in the ASEAN region.<sup>22</sup> By the early 1980s, foreign capital invested there (discounting oil extraction and banking) amounted to at least \$10-11 billion, out of which over 45 per cent went into manufacturing industries, including the creation of enterprises and whole branches tied in to export production exclusively.<sup>23</sup> In effect, according to available estimates, between 30 and 40 per cent of industrial exports from Malaysia, Thailand and the Philippines and over 90 per cent of Singapore exports came under the control of foreign capital, while in some items this share was even higher.<sup>24</sup>

Investing profusely in the export-oriented branches of ASEAN's manufacturing industries, foreign companies proceeded, first, from a desire to create their own affiliates, banking on the comparative advantages offered by the ASEAN states (the relatively low wage level, the presence of rather skilled workforce, cheap raw materials, etc). As a result "a sizable portion of newly-emerged streams of goods arises from vertical specialisation which implies individual operations carried out in the developing countries or the output of certain, less complicated components."<sup>25</sup> It is quite natural then that products exported to countries where head enterprises are located do not come against any trade or political limitations. What is more, the US foreign trade legislation, for instance, makes special reservations in the interests of transnationals, which specify customs duties, when importing finished products from the developing countries. This applies exclusively to the added value that was created due to processing of American materials and semi-finished products imported by the respective country.<sup>26</sup> The aggregate volume of imports that comes under the jurisdiction of the relevant articles of the US Customs Code, measures, according to the UN Commission on TNCs, almost 20 per cent of US imports of manufactured goods from the young countries.

<sup>21</sup> K. Dyachenko, S. Pavlov, A. Rogozhin, *Economic Relations of South and Southeast Asia with the Developed Capitalist Countries (Modern Trends)*, FCIB, 1980, Suppl. No. 1, p. 21.

<sup>22</sup> For more detail see *Super-monopolies in Southeast Asia*, Moscow, 1983.

<sup>23</sup> V. Kanapathy, "Investments in ASEAN: Perspectives and Prospects", *UMBC Economic Review* (Kuala Lumpur), Vol. XV, 1979, No. 1, p. 19.

<sup>24</sup> *Transnational Corporations, Third Survey*, p. 137; John Wong, *ASEAN Economics in Perspective*, Philadelphia, 1979, pp. 180-181; *Multinational Corporations*, Singapore, 1978, p. 175.

<sup>25</sup> N. Karagodin, *Industrial Export from the Developing to the Developed Countries: Sharpening Contradictions, World Economy and International Relations*, 1983, No. 3, p. 103 (in Russian).

<sup>26</sup> Thomas Morrison, *Manufactured Exports from Developing Countries*, New York, 1976, p. 33.

It is common knowledge that there is no official statistics on transfer operations, so it is only some indirect indicators that can give us an idea of their true amount. In UNCTAD estimates, the share of inhouse exchange in the world capitalist export averages some 40 per cent. As for the export of high- and medium-technology products (e. g., electrical and electronic equipment) the share of inhouse exchange, in the estimates of the UN Commission on Transnational Corporations, is over 70 per cent of the total export of such products manufactured by the developing nations. It is interesting to note that in available estimates, the share of inhouse deliveries against the sum total of ASEAN sales by enterprises under the control of American transnationals stands nearly at 60 per cent.<sup>27</sup> A similar indicator for Japanese affiliates which, in the words of Japanese scholar Watanabe, "are characterised by imminent strive for an inhouse division of labour so as to optimise the distribution of resources" is at least 35 per cent.<sup>28</sup>

Second, alongside exploitation of ASEAN's relative benefits, foreign monopolies are increasingly using them as a bridgehead for penetrating their competitors' markets under the guise of local firms. Textile industry, the authors of the monograph "Supermonopolies in Southeast Asia" contend, has become one of the primary targets for TNC's expansion in Southeast Asia. In the 1970s alone TNCs managed to acquire deep-rooted positions in this branch of the economy and the leader in this endeavour is Japanese monopoly capital which holds sway in virtually all countries of the region.<sup>29</sup> This conclusion is reaffirmed in the ESCAP Secretariat's official data which indicate that Japanese capital accounts for more than 40 per cent of foreign investment in the textile industry of Malaysia, Indonesia and Thailand.<sup>30</sup> In the second half of the 1970s, and particularly in the early 1980s, Japanese companies were followed by Hong Kong and South Korean firms as they started their vigorous investment activity in Southeast Asia. The reason for such heightened interest displayed by Japan, South Korea and Hong Kong in ASEAN textiles is the fact that the countries in this region have considerable resources in quotas on the markets of the developed capitalist states. The fact that in the early 1980s the ASEAN members exceeded export quotas for textiles and clothes, granted them by the EEC, only in 3 out of the 21 commodity positions testifies to their growing possibilities; besides, in some cases, ASEAN exporters utilised less than half of the EEC-granted quotas.<sup>31</sup>

This example is not unique: in the 1980s similar situations obtained quite often in the export from the ASEAN countries of black and white TV sets, air conditioners, and some types of radio appliances. In other words, to overcome the protectionist barriers put up by their chief competitors under conditions of growing rivalry, transnational corporations began to resort energetically to import quotas established for manufacturing industry products from the developing countries. It will be correct to note that "to gain access to the external market of manufacturing industry products, the developing nations are compelled to attract foreign capital more extensively and cooperate with the TNCs".<sup>32</sup> Moreover, in our time the monopoly capital of the industrialised countries itself uses developing nations as the Trojan Horse for pushing some types of their products to the world market.

<sup>27</sup> St (ESCAP) 228, p. 216.

<sup>28</sup> *The Developing Economics*, pp. 332-333.

<sup>29</sup> *Super-Monopolies in Southeast Asia*, p. 58 (in Russian).

<sup>30</sup> St (ESCAP) 228, pp. 199-203.

<sup>31</sup> Djisman Simandjuntak, *Op. cit.*, p. 90.

<sup>32</sup> V. Vasilyev, "Newly-Industrialised Nations" in the International Capitalist Division of Labour, *World Economy and International Relations*, 1985, No 2, p. 38.

Guided as they are by the laws of inter-imperialist competition, the developed capitalist states hastily build barriers to block off these "Trojan" products. Under such circumstances, the US foreign trade legislation was amended by an article stipulating the origin of products, while Japan and the EEC countries use the so-called cumulative, or collective, principle in relation to industrial import from the ASEAN countries. According to this principle, in determining the origin of a product, it is necessary to prove that no less than 60 per cent of the product's cost was the result of raw material processing in one or several ASEAN countries. Otherwise these products will be subject to additional import restrictions. This gives the ASEAN countries dual burden of modern protectionism, for they find themselves involved in a whirlpool of inter-imperialist rivalry.

**S**umming up the analysis of the present-day industrial export from ASEAN, we may conclude that its development hinges directly on these countries' economic advancement on the whole, reflecting its basic laws, salient features and phases. Brought about by export-oriented economies, industrial export is central to this economic strategy, thereby ensuring either overall success or failure.

Pursuing the policy of export orientation for as long as fifteen years (more than two decades in Singapore), the Association members have chalked up tangible success in developing their industrial export and appeared as more active participants in the international capitalist division of labour. Yet the outcome of this development is quite diversified and even contradictory due to the growing role of foreign monopoly capital in their economies and, hence, in industrial exports. Foreign capital's main motivation in its activity is maximum profit rather than national interests of the ASEAN states. To achieve this, in some instances, transnationals relegate ASEAN's industrial export to the lower grade in the vertically integrated production structures under their control. In other cases the natural wealth and labour of the ASEAN countries are exploited by the monopolies to broaden their expansion on the markets of still other countries. International monopolies are also out to use ASEAN's growing industrial potential in inter-imperialist struggles.

Inflated protectionism in the developed capitalist countries' foreign economic policies also adversely affects the economic interests of Southeast Asian non-socialist countries. Evaluating the general effect of growing protectionism in international trade of manufactured goods on the developing nations' economies, we may conclude that due to higher degree and efficiency of import control, part of the expenses resulting from acute rivalry among various groups of the developed nations' monopoly capital, as well as the negative effects of structural shifts in world capitalist production, is borne by the developing countries. As one of the developing world's largest exporter of finished industrial products, ASEAN is becoming one of the main targets for modern protectionism. All this creates a new knot of contradictions within the world capitalist economy.

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## SOVIET FILM DIRECTOR RECALLS HIS EXPERIENCES IN CHINA

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[Article by V.A. Zhuravlev, Honored Artist of the RSFSR: "Mission in the PRC (From the Memoirs of a Film Director)" and commentary by S.A. Toroptsev, candidate of philological sciences and member of the Union of Cinematographers of the USSR]

**T**housands of Soviet experts in various fields were sent to China in the 1950s in response to requests from the Chinese government to help in building socialism. A somewhat unusual request came in the autumn of 1954. The Chinese wanted a movie expert to serve as chief adviser to the Board of Cinematography under the PRC Ministry of Culture. The USSR Ministry of Culture offered the position to me, evidently on the strength of the fact that I had spent 31 years in the business, mostly in feature film making, but also had done some popular science pictures, newsreels and animated cartoons. The Ministry must have also taken into account that Soviet directors were normally heavily involved in technological and economic aspects of movie-making—an intricate combination of art and technical skills. I opted for a two-year mission then and there, putting off my own plans. The opportunity to get a closer knowledge of China, its arts and lifestyles was much too tempting. My mission began on December 4, 1954.

### PEKING

...My family and I felt quite embarrassed when, stepping down on the railway platform in Peking, we saw there was no one to meet us. All of a sudden we found ourselves amid a large cheering group of Chinese film-makers in blue uniforms. As it turned out, our car's identification was number 10 when it departed from Moscow but had been changed after the Manchuria station. The confusion was soon over and a lively and cordial greeting ceremony began. A slender bespectacled young man was translating with amazing fluency into good unaccented Russian. Later I learned that the man, Meng Guangjun, a scion of an ancient and, perhaps, most respected Chinese family, had studied Russian at the Mukden grammar school and was assigned to me as my personal interpreter. He introduced me to the chief of the Board of Cinematography Wang Lanxi, his deputy Chen Huangmei, top officials Situ Huimin and Cai Chusheng, as well as directors, actors, and artists. Some time before that, Wang Lanxi had called for adopting progressive Soviet film-making methods in order to promote China's own film industry. His view had prevailed and, with government consent, he had travelled to the USSR with a Chinese film delegation. They were well received in Moscow and got first-hand information on the Soviet film industry, something that made them all the more convinced that their choice was correct. That was the beginning of the long-standing friendly contacts between Chinese and Soviet film-makers. The first to travel to China were Soviet film engineers—chemist D. I. Loshkarev (Lenfilm Studios), mechanical engineer V. N. Belyaev, cameraman V. M. Yakovlev and sound technician K. A. Gordon.

There were difficult problems, but on no account were we to thrust our views on Chinese film-makers who ought to be left to make their

own decisions. We were to advise and guide the heads of cinematography, but not to replace them. China's Minister of Culture was author Shen Yangbing known all over the world by his pen-name, Mao Dun. His deputy for the movie industry was Xia Yan, a veteran Party member, playwright and script writer.

I plunged into work as soon as I entered the cosy premises occupied by the Board. Wang Lanxi, formerly an army officer with combat experience and a political worker, wore an ever present cordial smile and was quite engaging. Exceptionally tactful and imperturbable, he received me with infinite friendliness and immediately entrusted me with supervision of the entire range of the Board's work. Due to my interpreter Meng Guangjun I soon had no language problems. Our discussions were brisk and precise. Meng was with me throughout my stay and did much to facilitate my work. Our curator Situ Huimin, formerly an experienced director, also helped me. I had good contacts with Cai Chusheng, who was chief of production department and deputy chief of the Board. A veteran director and author of many interesting movies, he was a fine professional and engaging company; one felt he was readily grasping all the hallmarks of Soviet film-making.

During the first few meetings Wang Lanxi told me everything about the contemporary state of the Chinese cinema. There were feature film studios in Peking, Shanghai and Changchun, several animated cartoon studios, a science film studio, a newsreel studio, several movie actors' theatres, a script studio and a movie equipment factory in Nanking. In late 1953, there were 780 movie houses and 2,400 itinerant film projectors. There were many established directors and actors as well as numerous budding ones. Intense work was afoot everywhere and films of all types were being shot.

Documentary film-makers were in the van; everyday they brought to the Board short features devoted to front-ranking workers, parts of "Information" newsreels and also materials for full-length films on which they were working at the time. The animated cartoons were of great interest, the authors' skills being quite high. Popular science films, few so far, were interesting and invited a discussion, but I was keeping myself in check, reluctant to pass for a smatterer.

The situation with feature films was more complicated. They were few and different. Mostly they were about war: "Reconnaissance Beyond the River", "Skilful Capture of Mount Huashan", "Let's Chop Off the Devil's Paws". The films were encouraging, indicating as they did that the PRC had people who were capable of promoting the national cinema art.

I had to make a start on feature films. Once director Shui Hua brought what he had shot for "Land", a film about the peasantry and reforms in the countryside—a rather important theme at the time. It was obvious that the material was disconnected; there was no ending and episodes needed to be finished off. It was no longer possible to keep mum and when those present turned to me, I detailed my comments. They were accepted with visible pleasure. For my part, I was beginning to see how I should behave in the future. The range of my duties shaped up pretty soon. I was to advise the Board's heads on general issues of long-term planning in the context of the CPC's precise and concrete directives concerning the development of cinematography. The prospects were truly grandiose. There were plans to build new film studios and, correspondingly, boost in every way the output of studio and movie-house wherewith. We were to come up with annual plans as a matter of urgency, and the distribution network was expected to expand unprecedentedly.

It was also my duty to analyse the thematic plans of the Board and the studios. The snag here was that the most important film scripts, if not all of them, had to be translated into Russian for me to be able to work with them. An essential thing was to streamline the film-making process; the Chinese film industry had everything—but in embryo: some parts of it had to be shored up, others organised anew. This concerned primarily the script and editorial sections at studios and the Board itself. The Chinese saw the importance of progressive methods for the advancement of cinema and wanted to introduce them. Therefore, working with them was both difficult and easy—one constantly felt they were willing to master new techniques and improve their skills. After all, one of the tasks facing the industry was that of entering the world market. The task facing Soviet experts was to give, in each particular case and at each particular stage, clear-cut and concrete recommendations, proceeding from the experience of Soviet film-making. In addition, one had to take into account the multi-million Chinese audience whose requirements and tastes had been shaping over many decades. While advising on the film "Boats in the Raging Sea" devoted to sailors manning the torpedo boat fleet, I came to terms quickly with director Wang Bin, co-producer of "Grey-Haired Girl". He liked my recommendations and fully used them. As a result, we got a dynamic and interesting film. Once, however, during a frank exchange of views with me Wang Lanxi dropped a cautious hint that the press had noted—without much reproof, though—that the film had been made in a pronounced Soviet style. Whatever it was, it had to be evaded, because both we and the Chinese disapproved of aping.

Lacking experience, and often training, young film-makers became professionals virtually before our eyes, maturing with each picture made. The main drawbacks were script infelicities and oversimplification of plot and character. It was particularly much trouble when the shooting was already underway. All of us were doing wonders of ingenuity as we sought to make the best of what we had. Working together with the Chinese taught me to understand their methods, popular lifestyles, everyday behaviour patterns and dialogue.

Things were getting on nicely for one more reason: the Chinese heads of the Board pitched in the organisational skills of Wang Lanxi, Chen Huangmei, Situ Huimin and Cai Chusheng being a great asset.

Initially, the style of my work (as that of the rest of Soviet movie advisers) was the following. After analysing what I saw, heard or read, I passed on my comments to the Board heads and jointly we discussed them point by point. Later on, they communicated the most general recommendations to film directors or script writers. As I grew more experienced, I could communicate directly with the authors right after I had seen their production. The amount of work was increasing with each passing day.

I took particular interest in films devoted to Mei Lanfang, Gai Jiaotian and Zhou Xinfang—giants of classical opera. There were many debates on how to film this versatile and specific art form.

That I had seen, in my first months in China, films done in 1953 and 1954 was of great help. I was under great impression of war films, such as "Skilful Capture of Mount Huashan" by Guo Wei, a staggering, almost documentary account of an exploit by PLAC servicemen who had climbed up narrow crevices of a high mountain to the enemy rear; "Guerillas on the Plain" by directors Su Li and Wu Zhaoti, and "Reconnaissance Beyond the River" by director Tang Xiaodan. Having just triumphed in a fierce struggle the people saw these films—and there were many of them—with interest. These, too, suffered from oversimplification and a slipshod quality of scripts, but what saved the authors

was the sincerity and dynamism of rendition. I would like to point, in particular, to films on the revolutionary theme such as "Three Years" by director Zhao Ming, starring the outstanding actress Zhang Ruifang whose dramatic talent and striking appearance chiefly buoyed up an involved plot built around confrontation between a young factory committee chairwoman and a cunning factory owner. One more movie in this category was "Mother" by director Ling Zifeng,\* again starring Zhang Ruifang. She also played a factory worker, a simple woman turned revolutionary after a drawn-out experience in class struggles. The film could already be classed as a work of art. These pictures furnished me with examples from Chinese productions. Operating with them became quite easy after the screening of "A Plea for Happiness" and "In the Name of Peace", but I'll speak about them somewhat later.

The entire scope of what I did can hardly be described. I can only say that the strain was immense, that it was not at all easy to observe the necessary condition—not to get a reputation for light-mindedness through giving advice immediately after seeing a film or reading a script. But that was only in the first few months, when I, so to speak, was getting a grip on my new functions. Later, when my opinions carried more weight, I could give advice immediately after I had seen the material.

At times the days were so packed that I wonder how I could cope with all that. Here is an example: February 24, 1955; 9 to 10 a. m.—discussion with the planning department chief; 10 to 11 a. m.—seeing newsreels; 11 to 12 a. m.—discussing try-outs for "Mei Lanfang"; 12 to 13 p. m.—meeting Sang Hu, a director from the Shanghai studios; 13 to 14 p. m.—lunch; 14 to 16 p. m.—a film show; 16 to 18 p. m.—discussing the film. In the evening we sometimes went to the theatre, for example, the Canton opera.

In the first few months I spent my evenings seeing Chinese films. It was an exceptionally interesting panorama of the old and modern cinema. I saw "The Bridge" by director Wang Bin, and "A Steel Soldier" by Cheng Yin. I was rather attracted by Zhang Ke's "A Great Beginning" devoted to the working class. Standing out among the films made under the Guomindang regime were "Street Angels" by prominent director Yuan Muzhi and "Lian Shanbo and Zhu Yingtai" by Sang Hu and Huang Sha, a colour film version of a lyrical Shaoxing opera. These screenings, containing as they did many brilliant finds, gave me a wealth of material for discussion with film-makers. I was under a strong impression from the film "Wu Xun's Life". Working in close cooperation, director Sun Yu and actor Zhao Dan made an impressive, involved and controversial movie about Wu Xun, a beggar who, having gone through the calvary of an orphan in his early years, devoted all his life to collecting alms in order to build a school for children of the poor. At first sight it was a noble idea. But both its parts were a string of grisly events and scenes of disgusting humiliation of the main hero who seemed to advocate tolerance of insults by the rich for the sake of the noble goal. I was told that Guomindang had thrown Zhao Dan into jail and it was there that he came across some pictures illustrating Wu Xun's story. He liked it so much that after his release he did all he could to have it filmed. Director Sun Yu took interest in the plot and together they made the film which was a great success. Later, however, two young Marxists, as they were described to me, published a reviling review of "Wu Xun"; there was a public debate and the film was shelved.

Seeing films from different periods undoubtedly helped me understand

\* One of his latest works, "The Rikshaw Man" was shown in the Soviet Union in the summer of 1986 (here and below notes by the editor)

the specifics of the work of Chinese directors, actors, writers and artists. Therefore, I was quite well prepared for the National Conference of Script Writers, Directors and Actors held from 1 to 20 February, 1955, in Peking. The Board, which organised the conference, wanted the participants to discuss the existing problems and the chances for cinema's further progress. The 18 days were spent in heated debates, with script writers, directors, managers and actors ascribing to each other the drawbacks and their causes. Directors and actors accused each other of oversimplification. Much was said about directors' licence which often distorted script writers' central concept. Actors complained there was no material for playing in scripts they were offered. There were some interesting reports by Wang Lanxi and Chen Huangmei, as well as directors and actors. Wang Lanxi made a report about the Soviet cinema. Everybody agreed it was no longer possible to work in the old way; filmmakers ought to oppose oversimplification and study the people's life. The discussion was revealing and interesting; it showed that the participants knew their shortcomings and were quite eager to get rid of them. They cited examples from films which I had seen and, therefore, I could easily follow Meng Guangjun's simultaneous translation. Much was said about innovations in keeping with the Soviet system, about production discipline and filming efficiency. As I listened to speakers, I saw that all the complaints were justified and that an introduction of new technological processes necessitated painstaking work. I felt the need to explain the fundamental principles underlying the Soviet film industry and put that in my report which took up the morning and the afternoon sessions because it was being translated. I spoke about the Soviet film industry, its organisational structure, the system of training directors, actors, and technical personnel, about the All-Union State Institute of Cinematography, and the industry's successes over the recent years. I drew a panorama of an industry that had evolved its own production and creative style. All points I made were illustrated with concrete examples from the work of Sergei Eisenstein, Grigori Alexandrov, Ivan Pyryev, Mikhail Romm, Mikhail Kalatozov and Alexander Ptushko. I told them about advances made by young directors, such as Yuri Ozerov, Grigori Chukhrai, Vassili Ordynsky and many others. My examples from the activities of script and editing departments and artistic councils made an impression. Chinese cinematographers knew many Soviet films; the films were popular and that gave weight to my report. That was of great importance for the development of the Chinese film industry. I did not mention the Chinese cinema, its personnel and films, because I thought it was too early for me to make any generalisations or critical remarks, the more so that these had come from Chinese film-makers themselves as well as the heads of the film industry. Major reports were made by Zhou Yang, deputy head of the propaganda department at the CPC Central Committee, and Qian Junrui, deputy head of the 2nd office at the PRC State Council. They dwelled on the problems of film-making, commended a number of films and noted individual successes of actors and script writers. At the same time, Zhou Yang levelled a scathing criticism at shortcomings—oversimplification, too much abstraction, prevalence of logic over sentiment, lack of humour and far-fetched dramatism. A burst of sympathetic laughter was the reaction to his remark that the films were totally ignoring love as a human feeling. He also made an important comment that audiences saw in the world around them much more than they did in movies. He stressed that class struggle and opposition to the counter-revolutionaries were shown inadequately. Both speakers commended the work of the group of cinema advisers. Later documentary film-makers accepted all our recommendations and used them in practice. As a result, in 1955 and 1956, they released fine special newsreels

devoted to May 1 and October 1 celebrations, which were a tremendous success. There was also an impressive documentary called "Two Roads" about two saboteurs sent to people's China. Stunned by the new life in his country, one of them, surrendered, was pardoned and got a job and accommodation. The other, after masking himself carefully, began to pursue his aim but was soon exposed. The security forces authorised the filming of his movements by the hidden camera method. The documentary showed how he went out of his house, how he came back, how he paced round and round the entrance to the Bank hesitating to enter and withdraw the money remitted to him from abroad. His arrest was the culmination. The filming crew had secretly arranged cameras and lighting equipment and at the appropriate moment threw open the door of a room where he was operating his radio transmitter...

I have many reminiscences connected with the Peking studios, particularly with the film "The Stage Art of Mei Lanfang" devoted to the outstanding, world-famous performer of women's roles at the Peking Musical Drama Theatre. Mei Lanfang was tremendously popular in China and so the government decided to have a film made about him. The precedents were meagre—only one movie about the remarkable actor Gai Jiaotian.\* The new production was entrusted to director Wu Zuguang, a connoisseur of Chinese classical opera. The work was exceptionally hard-going. The director could not make up his mind whether to shoot the film in scenery or amid cloth settings, whether to take close-ups of the actor, how to film the famous opera conventions, such as an ascent up an invisible stair-case or a circle over the stage signifying that the performer has left one city for another. There were numerous tests, but everybody was dissatisfied. The actor was unable to help, though he was ready to go over his scenes ad infinitum. I helped with advice as much as I could, talked much with Mei Lanfang himself and even made friends with him, but the work took so long to yield the desired result. We did the film after all, which preserved for posterity the art of the great actor. In Shanghai the problem was solved in a much simpler way. The leading actor of the Peking classical opera, Zhou Xinfang, just filmed several operas in splendid scenery and all was fine.

#### TRAVELLING ROUND THE COUNTRY

The Changchun studios were comparatively new: they were built around the beginning of the 1930s and reequipped by the Japanese. After the Liberation progressive film-makers—and there were many of them—set to work on revolutionary movies and pictures about new China.

During my stay there, the studios were given a new head, Prof. Li Yama, former rector of a provincial university, under whom they thrived immediately. Local directors produced a number of remarkable films, such as "A Grey-Haired Girl", "The Bridge", "A Steel Soldier" and an optimistic film for children "The Flowers of Motherland". The film devoted to Dong Cunrui, a PLAC serviceman who died while blowing up a strategic bridge during a Guomindang attack in 1948, created a strong impression. The film "Dong Cunrui" was a great success with audiences.

The studios gave a good impression: a large central building housing six big stages, numerous workshops, processing laboratories, and a movie actors' theatre. There was a dubbing facility and the first picture it put out was "Alexander Matrosov" by director Lukov. It was easy to work with the Changchun people. I had met most of them at the conference in Peking. I had heard their criticisms and knew their desire to

\* The filming was directed by Bai Chen. Soviet audiences saw one of his latest works, the feature "Under the Bridge", in late 1986

advance the Chinese cinematography. Almost all of them wanted to adopt Soviet methods as regards film-making and organisation of the industry as early as possible. We came to terms easily.

Li Yama was well educated, forceful and bold, though a novice in cinema. He attended all my talks and attentively listened to comments and advice. Helping my efforts at Changchun was also the presence of Situ Huimin, supervisor of the group of Soviet experts. Formerly a film director himself, he knew the trade well and valued the achievements of the Soviet cinema. Together we saw the materials for films that were in the production stage and talked to directors and script writers. Situ was keen in perceiving the problems as they arose and, due to his knowledge of the Chinese and the Soviet styles, helped solve them. For example, it was not always possible to arrange a quick-moving film after the Soviet manner, without showing all places where the action took place. A short and rapid change-over caused bewilderment: How could that come about? In cases such as this Situ's help was quite useful.

At the studios, the movie actors' theatre and the orchestra were clearly underemployed. There being not so many films, all actors and musicians could not have enough work. We had to tackle that problem, too. Our proposal to organise concerts was simple, practicable and went down well with the Chinese.

Before I had my first meeting with Shanghai film-makers—a large and versatile group of art workers—I had understood much of the Chinese cinema phenomenon and found an appropriate manner of business intercourse. Due to this, I was ready to cope with the psychological barrier which, according to experienced people, I was going to face in that city. Shanghai was the cradle of the Chinese cinema. It had long-standing traditions and the local people had their own peculiar views on what the movie role and cinematography in general were all about. Many directors had quite a record of professional work and there was even one who had made 100 films! Would he actually need my advice? I thought.

I was given a warm welcome at the railway station. We got down to business as soon as we entered spacious hall at the studios. My report was, in effect, an elaboration on what I had said in Peking, where there had been only few people from Shanghai. But if in Peking I had not touched upon the Chinese cinematography at all, in Shanghai I was already in a position to cite example from some locally-made films which I had seen. Soon after I began to speak I noticed the audience were listening attentively, with some of them writing something on their smart note-pads. The reaction to my exposé of the theory of script-writing was a loud and unanimous request to repeat it. Since that moment I, as they say, "controlled" the audience and our meeting dragged on till late in the night. There were numerous specific questions concerning films; everybody was keen to compare their own concepts with mine. They asked to what extent the structure of "Mother" and "Three Years" was correct and whether something could be done to make their plots more dramatic. We discussed the role and significance of montage and its laws, mise en scènes, work with actors, and, of course, opposition to oversimplification. Well, the discussion was the same as at Changchun, but more detailed and versatile.

The studios had a thematic plan which included numerous movie panoramas, such as "Song Jingshi", a film on a revolutionary plot; "The Stage Art of Zhou Xinfang", a biography; "In the Name of Peace", a movie about the role of the intelligentsia in revolution\*; "A Summer Story" and "The Sounds of a Reed-Pipe"—films about the peasantry.

\* In the Soviet Union the film was given the name "Professor Jiang's Family".

Though complicating my work, the variety of genres, the differences in directors' personal styles, experience and knowledge made it particularly attractive and interesting.

"In the Name of Peace" was being produced by Huang Zuolin,\* a prominent theatrical and movie director, on a script by the well-known script writer Ke Ling. I met both on numerous occasions. The script was highly professional. We saw the completed pieces several times and everything seemed all right. The cast was highly skilled; Prof. Jian was played by Zhao Dan, his wife—by Bai Yang, and the rest of the actors were quite a good lot, too. But when the film was pieced together, the authors told me, it seemed to fall apart. The script flaws became apparent and all of us had to do quite a lot of brain-racking over how to set it right. That done, the film was well received both in China and at a Chinese film festival in the USSR.

After my report and analysis of individual films, the amount of work began to grow threateningly. All the directors, script-writers and actors wanted to meet with me. Questions were piling up; I needed time to think them over. To enable me to do that, Loshkarev, Belyaev and I were invited to Hangzhou ("Paradise in the Heaven, Hangzhou on the Earth", as the proverb had it). There, in a hotel standing on the shore of a divinely beautiful lake, in a cosy room that disposed to meditation, I worked intensively and with good results. Occasionally I had time for a boat ride or a visit to Gai Jiaotian's house. The elderly actor continued to work, dreamed of travelling to Moscow and complained that his son, though successfully studying his father's technique, was entirely devoted to technology.

On my return to Shanghai, I had discussions of all films on my plan. Director Shen Fu held a rehearsal for a film about Li Shizheng, the great Chinese pharmacologist, the author of the treatise "Fundamentals of Pharmacology", in the form of a theatrical show. A 40-minute performance amid small-size décor took in the whole of the film; the central characters were well outlined and the action seemed to unfold with the authentic rhythm of the film. The success of our joint experiment was quite full.

One felt a new style and new artistic methods were in the making in the city that had given rise to the Chinese cinema. There were organisational problems, apart from purely professional ones. Until recently, the artistic council had held 178 meetings in 300 days, but no results were in evidence. Yet, after all, organisational matters were somewhat easier; they concerned paragraphs and figures and there were skilled planning and financial personnel. It was much more difficult to find a way of cutting shooting scripts from 6,000-7,000 effective metres to 3,000 optimal metres, while leaving the traditionally steady unfolding of the plot unchanged.

The production facilities of the Shanghai cinematography comprised studios, formerly owned by private companies scattered over the whole city; they were rather primitive, many with earthen floors. The headquarters was located in a large comfortable house. Working in the industry were a large, efficient and well-knit group of film-makers. The biggest problem was the heterogeneity of the directors' backgrounds. There were skilled masters who knew how to make films, but were ignorant of the new public. Young directors were in need of training, for which there was no time. The state-run distribution administration was requesting for more pictures; the Party instructed that film production be increased. All categories of workers had to master new methods, never letting the

\* In 1984 at the Tashkent Film Festival in 1984 was the film "Long Live Youth" made by his daughter Huang Shuqin

industry to stall. It was for this reason that the arrival and help of Soviet experts was so timely.

Theatrical producer and actor Zhou Xinfang was doing quite a good job, shooting a film with his own participation. The director who had made 100 films, all of which turned out to be classical operas, was doing well, too. Coming into their own were directors—formerly soldiers—Sang Hu, Tang Xiaodan, Chen Xihe, Su Li, and Wu Zhaoti—who were abreast with the life of their people. Accompanied by chief of the industry board Wang Lanxi, I made trips to Guangzhou (Canton), Kunming, Chengdu, Wuhan and Xian. These trips pursued two goals: to inspect the sites of future film industry facilities (studios, equipment and film factories, etc.) and to meet members of writers' organisations in order to invite them to write scripts. My hospitable hosts had one more goal, that of showing me the country, with its ethnic groups, their customs, holidays, and lifestyles which are always better to see than to hear of. These trips gave me a wealth of impressions. Meeting with writers and attending original classical operas in the provinces enriched me enormously.

In accordance with the plan targets, the industry had to put out hundreds of films, while keeping the shooting quotas as low as possible (two scripts per director). Where were the scripts to come from? Unless we attracted professional writers, the whole exercise would be unrealistic. That was what Wang Lanxi and I were doing. Usually he made a short introductory speech, describing the state of the Chinese film industry: current production rates, the prospects, the required number of scripts, and, most importantly, the role of writers. I would pitch in after him, speaking about the technique of script writing, the specifics of screen imagery, and montage which, for some unknown reason, was a scare almost to everybody and the first thing they asked me about wherever I came. I often gave them examples of how literary classics had "cut and joined" episodes. That was very illustrative and convincing.

At that time writers in the PRC led a peculiar sort of life. Most of them held government jobs and had little time left for writing. Wang Lanxi and I were seeking to entice them with prospects of work in the cinema. I think we did a wise thing by suggesting that there should be script-writing textbooks. I don't know how relations between the industry and writers developed later, but during and after our trips the industry heads spoke of them highly.

As for me, I saw the country. There were mass scenes, such as a march-past by 100,000 railway builders or colourful holiday manifestations involving, for example, exquisitely dressed Canton capitalists carrying a red calico banner reading "Let Us Reeducate Ourselves Urgently!" There were closeups, too—meetings with remarkable people. I remember one of these, at Kunming. I was introduced to a person who, on behalf of the government, was working with extremely backward ethnic groups. With astonishing patience, using persuasion rather than coercion, insistently, but not importunately, people like him were drawing backward nationalities into socialist construction.

#### MY LAST YEAR IN THE COUNTRY

In 1956, in the second year of my mission in China, I could reap the fruit of my labour, so to speak. One could feel the results of our recommendations. The Chinese held a national competition for the best script. They were introducing production stages, production planning, preshooting rehearsal shows, shooting scripts, and other forms. D. I. Loskarev and V. I. Belyaev did a great deal of work. Bayev and Kondrashin helped boost up the Nanking film equipment factory.

In 1956, Chinese film-makers saw their long-standing dream come true: a fully-equipped All-China Institute of Cinematography was set up, complete with directors', actors', cameramen and economic faculties. The Soviet Union gave it a wide-ranging assistance, among other things, by sending director Boris Ivanov, dean at the USSR Institute of Cinematography, cameramen Yu. A. Zhelyabuzhsky and A. N. Simonov, instructor in acting Kazhansky and economist B. V. Antonenko to help organise the Institute. The new arrivals got down to business right away. They saw many films and took organisational matters in their hands. They enrolled students—mostly industrial workers—and compiled curricula for each department. Some students were sent by artistic organisations. Today, it is easy to speak about that work, the stages of which required so much effort. Boris Ivanov's energy and experience were an important factor determining the success of the whole thing. The Institute held a spectacular inauguration ceremony and plunged into studies.

In addition to my duties at the Board and trips round the country, Board chief Wang Lanxi charged me with two particular jobs on "In the Name of Peace" and "A Plea for Happiness". The former was likely to be shown at a Chinese film festival in Moscow. The latter, a colour film, was intended for a ceremony commemorating Lu Xin. Regarding the films as very important, he gave me a free hand on anything I'd find necessary to do to improve them. Particularly this concerned "A Plea for Happiness" then being produced by the Peking Studios. It was decided that the production process should follow modern methods as closely as possible. It was quite an easy thing to do in cooperation with director Sang Hu. A charming and cultured person and also a shrewd artist, he worked with ease; he was attentive to advice and reshaped what had been marred in the beginning. Bai Yang, the actress who played the central female role, accepted the pre-shooting rehearsal method with pleasure and was an example of composure during filming. We finished the picture before the deadline; it was accepted with an excellent mark and was a great success at the jubilee function. According to Sergei Gerasimov, "A Plea for Happiness" showed the high class of the new Chinese cinema.

An unpredictable thing happened with "In the Name of Peace". While seeing the working positive we discovered major flaws related to the script, montage, and interpretation of characters. The highly dramatic plot based on the life-story of Prof. Jiang, who evolved from an apolitical intellectual to an active revolutionary and died a hero's death, had lost its punch. The deadline was approaching and the Board was increasingly anxious. I was requested to take urgent steps. The director, script-writers and I looked through the entire working positive once again. First of all, I praised the material as a whole. After that we began looking through it bit by bit, analysing each scene, its significance and effect. After doing a tremendous amount of work in two days, we agreed we needed additional filming and a rearrangement of scenes and episodes. Ke Ling and Huang Zuolin returned to Shanghai and urgently did what we had planned. The film was brought to Moscow in time and was highly assessed there.

...I did not notice how the two years of my unusual and intense work in the People's Republic of China slipped past. My mission was over. Highly satisfied, I returned to the Mosfilm Studios in Moscow.

#### SUMMER OF 1986

Thirty years later I had an unexpected telephone call from the USSR State Committee for Cinematography. I was told a Chinese film delegation had come to Moscow and they wanted to see me. The request

came, among others, from Meng Guangjun! It was such an unexpected and joyful event! The meeting took place the very next day at the office of the director-general of Mosfilm.

Meng was the first I clasped in my arms. Almost unchanged, my former interpreter hailed me delightedly; others were also saying something hastily. I was being greeted by literally everyone I had mentioned before—Xia Yan, Wang Lanxi, Situ Huimin, Chen Huangmei, Sang Hu, Bai Yang, Zhang Ruifang and many others... All alive and relatively well, but all, including those occupying high positions, remembered our joint work.

The delegation was headed by Ding Cao, Deputy Minister of TV, radio and Cinematography. In my time he was editor-in-chief at the documentary film studios; we tackled many jobs together, including the reel about the May Day celebrations in Tiananmen. Among the delegation members was Bai Sheng, China's oldest director. In a discussion they had with editor-in-chief of Mosfilm Abdurakhman Mamilov, Bai Sheng recalled with gratitude my help in the films "Song Jingshi" and "Professor Jiang's Family". Ding Cao said as much, adding that my recommendations had caught on and that all those with whom I had worked remembered me.

But—more important—they said there had been a revival in the last three years; the cities and villages had markedly changed and living standards were improving. I was particularly happy to hear the news that the situation in the cinema was becoming better and that the number of feature films had grown to 130 in 1985. Their quality and acceptance by the audiences had improved, too. This means our numerous trips round the country were not in vain. Many of the facilities which had been in the planning stage at that time, were now fully operative.

On the next day Meng paid me a personal visit, met with my family and was pleased how my sons had grown and how cordial and hospitable my wife still was. We leafed through photographs made in China, saw shots from memorable films, and recalled events connected with each photograph. Meng Guangjun elaborated on what Ding Cao had said the day before. I was astonished and happy at the staunchness with which the devout film-makers had gone through all trials that had befallen them. I felt happy and sad at the same time. Happy because we had that in our life and sad because it had all passed. But I keep memory of my remarkable mission.

#### WITH AN OPEN HEART

I think there is no need to introduce to the reader the author of the memoirs. His films "Foster-Son" (1929) "Space Travel", the first Soviet science fiction film (1936) "A Fifteen-Year-Old Captain" (1946), and "Inseparable Friends" (1953) are well known. In the memoirs you have just read, Vassili Zhuravlyov appears in a new quality.

A veteran director with vast knowledge of Soviet cinematography, he went to China with an open heart and gave much of himself to the fraternal people who were just beginning to build socialism. The duty of an internationalist prevailed over his personal plans; he felt he had to help the sister country to lead the film industry out of the dislocation left by many years of war, to restore the production facilities and the organisational structure of the Chinese film industry (or, to be more precise, to create it anew, since it was part of a radical socialist reform in the cultural sphere). He was to help start the training of personnel devoted to socialist ideas, lay down the ideology, the range of themes and artistic methods for the film industry as a whole and give advice on each of the movies in production. In other words, he was to help it attain the world

standard of perfection. So, as Vassili Zhuravlyov justly said, he had more than enough work.

Imagine China's film industry in the early 1950s. The studios had absolutely worn-out equipment. Even at Changchun, where the Japanese had set up the much vaunted cinecompany Manei, the equipment was quite at the colonial level. As for the progressive cinematography, it had to stop production altogether in the last three years of the anti-Japanese war. It was only in the liberated areas that a limited number of documentaries were made. But the difficulties were enormous. Yuan Muzhi recalls they were short even of water for developing the film, let alone the film itself, which they contrived to use twice.

Yet, apart from dislocation, there were other obstacles to the progress of cinema. At the turn of the 1930s, Yanan, the capital of the liberated areas, saw the emergence of a set of "special" ideas. These are the "idols" which Qu Baiyin wrote so bitterly about in 1962: they "bind the artist's hand and foot" by their dogmatic extraneous requirements so that he has no choice other than taking a refuge behind a screen of "stereotypes".

Zhuravlyov found himself in a rather difficult position. Shortly before his arrival in China there had been the first political "reeducation" campaign centred on the feature "Wu Xun's Life" by experienced director Sun Yu. Very few people today can boast they saw the film. What was written about it at the time is, of course, very far from cinecriticism. For this reason, the comment by Vassili Zhuravlyov, who called it impressive, is particularly valuable.

The Wu Xun problem is quite difficult. Made prior to the formation of the PRC, under the Guomindang regime, the film proclaimed the need for educating the people, this being a progressive, if not revolutionary, idea. It hit the screens in 1950 and, of course, could not fit in with the spirit and atmosphere of socialist construction. The new social system needed fighters, people of revolutionary action, rather than heroes like Wu Xun. Yet the methods of this "campaign of criticism" proved harmful to the cinema as a whole. Cineproduction was curtailed dramatically, there was a spate of public slatings, and groups of film-makers were sent away for "reeducation". Sun Yu, who made "Wu Xun's Life", was allowed to resume his professional work in the mid-1950s, but subsequently failed to create anything of the same artistic value as "Wu Xun" and his interesting pictures of the 1930s. In 1985, the campaign was pronounced erroneous.

In 1954, the PRC leaders decided to invite Soviet experts to help in remaking the film industry. Why Soviet? Apart from the political orientation on friendship with the Soviet Union, which the Chinese leaders kept to at the time, there were other factors. With China building socialism, the organisational structure of its film industry was also to conform to this social system. Cinema became the Party's concern; the country already knew Lenin's words, "of all forms of art, the cinema is the most important to us", and this was so because of its powerful propaganda and esthetic effect. The small private companies could not cope with this new social function. And, logically, it was Soviet film-makers who could share their skills and good theoretical knowledge of the cinema. Chinese cinematographers had been long attracted by the socialist ideology of the Soviet cinema art, its genuinely popular perspective, and communist ideals cast in superb artistic form. In December 1926 there was a closed showing of "The Battleship Potemkin" in Shanghai. Tian Han, a major figure in Chinese theatre and cinema, wrote: "On that evening, after the showing, we understood that not only had post-revolutionary Russia achieved great success in its drive for political and economic renovation; it had also obtained fine and impressive results in the cinematographic sphere." Incidentally, Tian Han was the pioneer of Chinese-Soviet "joint produc-

tions". Soviet author Boris Pilnyak, who was at that time in Shanghai, was actively involved in the shooting of his film "Going to the People", broken off due to the interference of Guomindang's censors.

Of course, there were very few Soviet films in China during the 1930s. Yet, on April 4, 1931, the year that marked the beginning of the Japanese aggression against China, Shanghai saw the first public showing of a Soviet film. It was "The Descendant of Genghis Khan" by Vsevolod Pudovkin. In 1933, there was a showing of "A Start in Life" by N. Ekk, which produced a broad public reaction—eight articles and fourteen reviews in the cinesupplement to the *Shenbao* alone, publication of the script translated by Xia Yan (the first contact with Soviet script literature) and, most interestingly, a Chinese imitation. Director Cai Chusheng (whose "Fishermen's Song" won a special prize at the Moscow film festival in 1935) admitted that "A Start in Life" had given him inspiration for his film "Lost Sheep" devoted to Chinese orphan vagabonds (the Chinese version is adapted to the conditions of the times and regime—the vagabonds got no "start in life" and the end is tragic). Later the Chinese saw "Vstrechnyi", "Golden Hills", and "Chapayev", the latter becoming a favourite film of the great Lu Xin, so much so that he recommended it in letters to his friends.

Soviet films won the hearts of both the progressive intelligentsia and the broad public. Roman Karmen, who had shot several thousand metres of film in China at the turn of the 1940s, later turned them into an exciting document of the epoch. Subsequently he wrote in his book *A Year in China* the following: "The Chinese are fond of Soviet movies. Millions saw 'Chapayev', 'We Are From Kronstadt', 'The Volochayevka Days', 'Peter I', 'Baltic Sailors', 'The Circus', 'Lenin in October'... Quite often the fronts of Chinese cinemas showing an American superhit are decorated with huge advertisements for a 300-metre Soviet newsreel included in the programme, rather than the hit itself."

The high artistic quality, combined with the message reaching the people as a whole and each individual in particular—something inherent in the best works of Soviet cinema—was what appealed to progressive Chinese film-makers. They had long sought to get to the root of this social and artistic phenomenon. In 1928, Hu Shen published his translation of the famous document by Sergei Eisenstein, Vsevolod Pudovkin, and Grigori Alexandrov, called "Future of the Sound Film" and used it to promote the campaign for progressive cinema. In the 1930s, the Chinese press carried translations of Soviet theoretical works (including articles by Lunacharsky and Pudovkin) and analytical reviews, one of which was written by Xia Yan, the current Chairman of the Union of Chinese Cinematographers. Mention must also be made of the activities of Juan Muzhi, one of the most brilliant Chinese film-makers (Vassili Zhuravlyov referred to his 1937 film "Street Angels" shown in Moscow in 1983; Jey Leida, a US film-maker, rated his skills as equal to those of René Clair and Cavalcanti). In the mid-1940s Yuan Muzhi was sent to the Soviet Union for training and assisted Sergei Eisenstein while the latter was shooting "Ivan the Terrible" in Alma Ata. In a 1980 article published in the *Danying yishu* magazine, director Gan Xuewei, who led the PRC delegation to the 1983 International Moscow Film Festival, recalled how upon his return from the USSR Yuan Muzhi had told them, the novices, about that great director's style.

Lu Dingyi, a PRC propaganda chief, said in 1950: "We ought to dub more Soviet films into Chinese, this is one of the most important tasks for our cinematography." The film "Private Alexander Matrosov" dubbed at Changchun's Dongbei studios (several years later they were renamed Changchun studios and as such entered Zhuravlyov's memoirs) was the first Soviet film with a Chinese sound track (before 1949 the films were

provided with subtitles). In the subsequent years, the number of dubbed Soviet films ran into dozens. The 1953 PRC State Council Resolution on Cinematography, which did much to improve the industry's structure and streamline its ideological processes, had a particular praise for Soviet films and said more of them ought to be shown in China.

In 1948, nearly 1 million Chinese saw Soviet films, in 1949—over 6 million, in 1950—over 48 million, and in 1951—close to 65 million. "The Fall of Berlin" was seen by a total of over 14 million people. "The Battle of Stalingrad"—over 7 million, "The Young Guard"—over 5 million, "The Gadfly"—almost 7.5 million. Wang Lanxi, a PRC cinema chief, whom Vassili Zhuravlyov recalls with so much respect, said in 1952, "Along with popular Chinese films, Soviet movies have become daily spiritual food for the masses in this country".

"Highly progressive and artistic, the advanced cinematography of the Soviet Union," Chen Huangmei wrote, "is an example to us and helps us learn and improve." After seeing "The Virgin Soil Upturned", spectators sent letters to the magazine, saying that the Soviet film helped them understand the complexities of contemporary Chinese life: "Nagulnov gives us a clue to correcting our own mistakes committed through excessive fervour."

For this reason the invitation to Soviet experts shortly after the establishment of the PRC was justified and had been prepared in the midst of the film-making community and cultural circle.

Like Soviet literature and the arts as a whole, Soviet films gradually ceased to be a "foreign marvel"—admired but hardly relevant to the nation's life—and became an indispensable element in the Chinese cultural process. This is true today, too. Take, for example, the screen version of Wang Meng's novel "Long Live the Youth" shown in 1984 at the Tashkent film festival. Schoolgirls of the 1950s discuss Ulanova's dancing, put on the wall a portrait of Zoya Kosmodemyanskaya (whom they know from the novel and the film) when they want to change the "feudal look" of the room, sing "Kalinka", read "How the Steel Was Tempered" wondering whether they can be like Pavka Korchagin, the main hero, and go to the cinema to see "Happy Life", as "The Kuban Cossacks" was symbolically renamed in China. The novel was written between 1953 and 1956 and reflects the spirit of the times. Recalling his youth in the 1950s the hero of "Daydreaming About the Sea", a short story written in 1980, bursts into a song from the film "Seven Bold Ones" the soul-stirring tune of which is expressive of the strivings in those years, the romance of long roads that lay before the "young captains".

Teaching the Chinese what he knew himself and keeping them from repeating absolutely unnecessary mistakes was the reason why the Soviet adviser came to China. Of course, not all Chinese cinematographers could make an equally good use of his lessons. Jay Leida says: "There were imitations at all levels, depending on the aims and intellect of filmmakers." He points to "the lower level of automatic imitation" ("Woman Engine Driver"), "a more thoughtful but still superficial level" ("A Steel Soldier") and a creative interpretation of the lesson ("A Story About New Heroes", one of "the best films produced by the new Peking studios" whose sources he sees in Gerasimov's "The Young Guard").

The memoirs show well how Zhuravlyov had to deal with local film makers when his efforts did not yield the desired results ("The Stage Art of Mei Lanfang", regrettably, was not up to the great actor's level). Completed films, like "In the Name of Peace", often had to be rehashed for being professionally inadequate.

Positively, lessons of the Soviet cinematographic school, as taught by Zhuravlyov and his colleagues, are behind the present-day successes of the Chinese cinema. For example, woman director Wang Haowei who brought her "Sunset Street" to the Moscow International Film Festival in 1983 had been a student at the Peking Institute of Cinematography just when it had Soviet teachers (it makes little difference that she studied under a Chinese professor, because the curricula were compiled on the basis of those adopted at the Moscow Institute of Cinematography). Wu Yigung, whose "Old Story in the Southern Suburb" won China's first ever grand prix at an international film festival, had been two years her older at the Institute. In the last few years there have been successes in Belgrade, West Berlin, Zagreb, Calcutta, London, and other festivals as well.

Late Cai Chusheng, a prominent director and one-time Chairman of the Union of Chinese Cinematographers, said in 1958: "The Chinese view the Soviet cinematography as their own. It has long become a good teacher and loyal friend of millions of Chinese audiences and workers in cinematography.

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## SPECIALIST IN DIPLOMATIC HISTORY, FAR EAST RELATIONS PROFILED

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[Article by Professor V.S. Myasnikov: "An Outstanding Historian and Expert on Far Eastern Affairs (On the 80th Birthday of Academician A.L. Narochnitskiy)"]

[Text] The works of Aleksey Leontyevich Narochnitskiy, the prominent academic, public spokesman, member of the CPSU, the USSR Academy of Sciences, and the USSR Academy of Pedagogical Sciences, winner of the USSR State Prize, Honored Scientist of the RSFSR, doctor of historical sciences, and professor, are so numerous and multifaceted that only a group of specialists in different fields would be capable of evaluating all of them. A.L. Narochnitskiy is the author and editor of more than 400 scientific works on world and Soviet history, historiography, the study of original sources, the foreign policy and diplomacy of European powers, and the history and contemporary development of international relations and Soviet foreign policy. Dozens of his works have been translated into foreign languages. For Soviet orientalists, especially those studying the history of the international relations of Asian and Pacific countries and the history of Russian and Soviet relations with eastern countries, the last few decades have been marked by the increasing influence and role of the works in this field by Academician A.L. Narochnitskiy and the scholars of his school. Therefore, in this brief essay we will concentrate on A.L. Narochnitskiy's works on Far Eastern subjects. Of course, they can only be examined in connection with other areas of the outstanding academic's research, because each of these areas increases the significance of others and promotes their mutual enrichment.

Academician A.L. Narochnitskiy's career has been marked by the constant augmentation of his natural talent with work of exceptional scales and intensity. This has been discussed in numerous scientific publications.<sup>1</sup> Narochnitskiy was only 19 when he wrote his first scientific work on the basis of archival sources, a work which was published 2 years later in an academic periodical.<sup>2</sup> Two years after this (in 1930) the young scholar graduated from the University of Kiev, where he had combined his studies with his work as a secondary school teacher.

A.L. Narochnitskiy's interest in history began to take shape in the middle of the 1930's--that is, at the time when the seat of a new world war began heating

up in the Far East and when the international situation in the Asian-Pacific region was extremely tense. His search for answers to the questions raised by the events in China, Mongolia, and Japan affected all of his later research. Although his training of broad specialization had given him a field of vision encompassing the entire system of contemporary international relations, he had a special interest in the situation in Asia, especially the Far East. This was reflected in one of his earliest publications--a review of S.B. Okun's book "Rossiysko-amerikanskaya kompaniya" [The Russo-American Company], published in 1939.<sup>3</sup>

A.L. Narochnitskiy's style of work probably can be best described with Pushkin's line of verse: "Reveries of a poet, a stern historian is driving you away!" His skill as a historian was developed under the influence of three main factors. First of all, from 1934 to 1937, when he was taking post-graduate courses in the School of Modern History of Moscow State University, the Soviet science of Marxist-Leninist history was being actively reinforced and developed in connection with the adoption of the well-known party documents regarding the development of the social sciences in our country. Second, the very object of his research--foreign policy and diplomacy--demanded particularly scrupulous analysis. The third and final factor was the influence his teachers had on his work. They included such outstanding historians as Ye.V. Tarle, Ye.A. Kosminskiy, N.I. Lukin, V.I. Pecheta, S.D. Skazkin, and V.M. Khvostov. In addition to giving the young researcher vast amounts of knowledge, they set examples of an exceptionally demanding, principled, and exacting attitude--primarily an attitude toward oneself and one's own work.

Historical knowledge is always based on a knowledge of original sources and literature. By 1940 A.L. Narochnitskiy was already publishing his "Index of Literature on Modern History (1789-1819)," but the historian relies most of all on documents. For this reason, A.L. Narochnitskiy spent many years studying huge quantities of archival sources connected with the foreign policies of Russia and other leading states in the world. The practice of deriving a wealth of factual material from archives and of making generalizations only on the basis of a thorough knowledge of documents--this style of work was already being perfected by A.L. Narochnitskiy in those years.

When the first general work on diplomatic history in the USSR was being compiled, V.P. Potemkin, the head of the team of authors, included A.L. Narochnitskiy in this group along with Ye.V. Tarle and V.M. Khvostov because he appreciated his ability to formulate original judgments and generalizations and his brilliant use of research methods in history. In the first edition of "Istoriya diplomati" [Diplomatic History], which was published in 1941 and was awarded the State Prize First Class (1942), A.L. Narochnitskiy was the author of the chapters "European Diplomacy During the Years of the French Bourgeois Revolution (1789-1794)" and "Diplomacy During the Years of the Thermidorian Reaction and the Directory (1794-1799)." This work made the young historian famous, and the conferment of the high honors was an acknowledgement of the depth and social value of his work.

For the second edition of "Istoriya diplomatii" (1959), A.L. Narochnitskiy also wrote the chapters "European Diplomacy During the Revolutions of 1848-

1849," "Diplomacy in India, in the Middle East, and in China at the End of the 18th Century and in the First Half of the 19th," "Diplomacy in the Far East in the 1850's and 1860's," and "Diplomacy in the Middle East in the 1850's and 1860's." Aleksey Leontyevich also edited the chapters written by Ye.P. Tarle for the new edition.

Partly as a result of A.L. Narochnitskiy's work, modern and contemporary diplomacy began to be regarded not only as the activity of European powers in connection with exclusively European problems, but as a global phenomenon encompassing the vast expanses of the Asian continent, where the great eastern powers--India, China, and Japan--had their own international relations and were being subjected to the colonial expansion of capitalist powers. Furthermore, the Marxist-Leninist analysis of the policies of European powers in Asia revealed the distinctive nature of Russian policy, which, as an Asian power itself, was mainly concerned for a long time with the establishment of friendly relations with China and Japan, with a view to the real interests of these countries. This position was objectively impeded by the spread of the colonial "Opium Wars" of England and France, which even led to armed actions by these countries against Russia in the Far East at the time of the Crimean War.

As a result of A.L. Narochnitskiy's work, the Soviet science of history was enriched by the thorough analysis of the use of diplomatic means to defend a revolution. The examination of this issue on the basis of information about the great French Revolution and the revolutions of 1848 and 1849 defined fundamentally new features of the diplomacy of revolutionary governments and aided in the analysis of the cardinal topic of the establishment of the traditions of international proletarian solidarity.

While Aleksey Leontyevich was teaching courses in international relations before and during the French bourgeois revolution and the international relations of the European states between 1794 and 1871 in the Higher School of Party Organizers of the Central Committee of the All-Russian Communist Party (Bolshevik) in the 1944/45 academic year,<sup>4</sup> he was also preparing a series of works on the foreign policy of the Jacobin republic. The series included "Robespierre's Committee of Public Safety and the Neutral Countries from Fall 1793 to the Jacobin Split," "The Jacobin Republic and the Neutral States in Summer 1793," "The Jacobin Split and the Foreign Policy of the Jacobin Republic from January to April 1794," and "The Downfall of Danton's Diplomacy in June and July 1793."<sup>5</sup> At this time Aleksey Leontyevich was also engaged in a special study of the role of Russian policy in the development of international relations in the 18th and 19th centuries.<sup>6</sup>

Without abandoning his studies of the diplomacy of the European great powers,<sup>7</sup> Aleksey Leontyevich began paying more attention to the central issues of international relations in the Far East. He analyzed American literature on these issues in detail in several articles.<sup>8</sup>

In 1955 Aleksey Leontyevich defended a dissertation for a doctorate in historical sciences on the subject "The Aggression of the European Powers and the United States in the Far East Between 1882 and 1895." The following year his work "Kolonialnaya politika kapitalisticheskikh derzhav na Dalnem Vostoke,

"1860-1895" [The Colonial Policy of the Capitalist Powers in the Far East, 1860-1895] was published by the Publishing House of the USSR Academy of Sciences. The length of this work, the level of its theoretical generalizations, its wealth of factual material, and its comprehensive examination of the Far Eastern policy of these powers put it among the outstanding works of Soviet historical literature.

A.L. Narochnitskiy's work laid the foundations for a new field of research by Soviet historians because he was the first to reveal the interconnection and interdependence of the European policy of these powers and their policy of colonial maraudery in the Far East, in the Pacific countries, and in Asia in general. It must be said that even today, 30 years after its publication, the book is still unsurpassed in the depth of its analysis of central issues and the importance of the research findings.

Another of the book's merits is that it can be used to judge whether or not the goals, nature, and methods of the current policy of the leading imperialist powers in Asia differ from the policy they pursued a century ago. A.L. Narochnitskiy's description of U.S. policy is interesting in this context: "Contrary to the assertions of many bourgeois historians, the United States, just as the West European powers, conducted a policy of colonial expansion and aggression in the Far East with the aid of unequal treaties with China and Japan, and later with Korea.... In the interest of expansion, the United States tried to make up for the shortage of its own forces in the Far East by making use of an emerging new capitalist power, Japan, to pave the way for American trade in Korea and on the island of Taiwan. This policy also had the purpose of using Japan to weaken the position of the European powers in the Far East, especially the United States' chief rival, England, and to subordinate Japan to U.S. influence."<sup>9</sup>

A.L. Narochnitskiy's analyses of Far Eastern subject matter helped to make the study of international relations in this region a prominent part of the work of Soviet historians. The first edition of the collective work "Mezhdunarodnyye otnosheniya na Dalnem Vostoke (1870-1945)" [International Relations in the Far East (1870-1945)] was published in 1951. A.L. Narochnitskiy was instrumental in the compilation of this work and wrote the sections on the Far Eastern policies of the United States, England, and France in the second half of the 19th century. This work explained how the knots of contradictions between imperialist powers, which came into being at the end of the last century, accelerated the start of World War II in the Far East and the Pacific basin.

In 1956 the second edition of this book, covering a longer chronological period, was published.<sup>10</sup> It began with a chapter by A.L. Narochnitskiy on "International Relations in the Far East at the Time of the Opium Wars and the Taiping Rebellion (from the 1830's to the 1860's)." Events in the Far Eastern area of world politics from 1871 to 1894--that is, during the stage of the imperialist struggle for the partition of the world--were examined in another chapter by him.

Aleksey Leontyevich wrote most of the first volume of the new edition of "Mezhdunarodnyye otnosheniya na Dalnem Vostoke," published by the Mysl

Publishing House in 1973. In this edition he wrote the sections "The Western Powers and the States of East Asia in the 16th, 17th and 18th Centuries," "International Relations in the Far East at the Time of the Opium Wars and the Taiping Rebellion (from the 1830's to the 1860's)," and "The Intensification of the Struggle Over the Partition of the World Among the Capitalist Countries in the Far East (1871-1898)."

The scholar was actually able to reproduce the vast panorama of international relations in East Asia over three centuries. Furthermore, this was the first time in Soviet historiography that the main principles of the foreign policy of the feudal states of the Far East were examined, their foreign policy relations prior to their invasion by Western powers were described, and the radical changes the colonizers brought with them were discussed. The interconnection of foreign and domestic policy in the Far Eastern countries was also reflected in the destruction of the traditional economic order by the colonial powers, which also retained the most reactionary forms of political rule and took direct action against the revolutionary and national liberation movements of the people in the Asian countries.

At the same time, A.L. Narochnitskiy was analyzing the acute problems in Russia's policy toward China and Japan with his characteristic boldness and described them in the well-known article "An Inquiry into the History of Russian Foreign Policy in the Far East in the 19th Century."<sup>11</sup>

A distinctive feature of A.L. Narochnitskiy's work is that he never confined himself to a single subject or a single field of historical research but responded quickly and enthusiastically to the most vital issues of the present day. His article "The Traditions of the Revolution of 1848-1849 in Hungary and the Present Day" is an example of this kind of topical article.<sup>12</sup>

A.L. Narochnitskiy has always taken a great interest in the theory and methodology of the science of history. Without these fundamental investigations, further research is impossible, especially in such new fields as the safeguarding of security on the regional and global levels, which is particularly relevant for the Asian-Pacific region. A.L. Narochnitskiy's article "On the Theory and Methodology of the History of International Relations" is noteworthy in this connection.<sup>13</sup> It discusses fundamental aspects of the methodology of studying modern and contemporary foreign policy and laid the foundation for many subsequent works in this field. Returning to this subject later, Aleksey Leontyevich singled out some of the problems in the history of Soviet foreign policy and the history of international relations warranting primary analysis.<sup>14</sup> This was connected with his work on the collective monograph "Itogi i zadachi izucheniya vneshney politiki Rossii. Sovetskaya istoriografiya" [Results and Objectives of the Study of Russian Foreign Policy. Soviet Historiography], published by the Nauka Publishing House in 1981. A team of authors headed by A.L. Narochnitskiy analyzed and summarized all of the works by Soviet historians over a period of more than 60 years of research in the field of Russian foreign policy in the European theater of world politics, in Asia, and in the Far East. The same series included the anthology of articles (compiled under the supervision of Aleksey Leontyevich) entitled "Problemy metodologii i istochnikovedeniye istorii vneshney politiki

*Rossii*" [Problems in the Methodology and the Study of Original Sources in the History of Russian Foreign Policy] and published by Nauka in 1986.

Current events continued to arouse Aleksey Leontyevich's interest. He wrote the article "The Foreign Policy of the USSR and European Security Problems Between the Two World Wars."<sup>15</sup>

A.L. Narochnitskiy edited several basic works without which the examination of today's international relations in Asia and the Far East would be impossible. They include such scientific publications as "Problemy mezhdunarodnykh otnosheniy i osvoboditelnykh dvizheniy" [International Relations and Liberation Movements] (1975); "Sovetskiy Soyuz i Organizatsiya Obyedinennykh natsiy" [The Soviet Union and the United Nations], in two books, the first of which covers the 1966-1970 period (1975), and the second of which covers the period from 1971 to 1975 (1981); "SSSR v borbe protiv fashistskoy agressii. 1933-1945" [The USSR in the Struggle Against Fascist Aggression. 1933-1945] (1976); "Leninskiye traditsii vneshey politiki Sovetskogo Soyuza" [The Leninist Traditions of Soviet Foreign Policy] (1977); "60 let borby SSSR za mir i bezopasnost" [The USSR's 60 Years of Struggle for Peace and Security] (1979); "Sotsializm i mir: (Istoriya, teoriya, sovremenność)" [Socialism and Peace: (History, Theory, and the Present Day)] (1983); "SSSR v borbe za mir i bezopasnost narodov--istoricheskiy opyt" [The USSR in the Struggle for the Peace and Security of Peoples--Historical Experience] (1984). The names of these books testify that problems in guaranteeing security and peace are of major importance to the outstanding historian of international relations. This is also attested to by A.L. Narochnitskiy's article "New Developments in Diplomacy and the Problem of Securing the Peace from 1919 to 1939."<sup>16</sup>

All of Aleksey Leontyevich Narochnitskiy's work is distinguished by paramount concern for reference documents. In 1957, in the capacity of an expert adviser to the USSR Ministry of Foreign Affairs, he headed a large team of historians preparing a basic work--"Vneshnyaya politika Rossii XIX i nachala XX veka (dokumenty Rossiyskogo ministerstva inostrannykh del)" [Russian Foreign Policy in the 19th and Early 20 Centuries (Documents of the Russian Ministry of Foreign Affairs)].

This work was published in two series. Eight volumes of the first series, covering the history of Russia's international relations and foreign policy from 1801 to 1815, were published between 1960 and 1972. Sources pertaining to Russian policy in the Far East were prominent among the documents in this series. In particular, they related the history of Yu.A. Golovkin's embassy to the Qing empire and contained data on Russo-Chinese trade through Kyakhta and information about the visit by the ships of the first Russian voyage around the world to the Chinese port of Gaungzhou. In addition, the high scientific level of this publication, with its wealth of reference material, and the exceptional speed of its compilation warrant mention. The second series began to be published in 1975. The ninth volume came out that year and the tenth came out in 1976. To date, 14 volumes of documents have been published, most of which are kept in the Russian Foreign Policy Archives of the USSR Ministry of Foreign Affairs and have never been published before.

Aleksey Leontyevich is the editor of all of the published volumes of this work.

Aleksey Leontyevich is also the chief editor of the series of documents "Issledovaniya russkikh na Tikhom okeane v XVIII-pervoy polovine XIX vekov" [Russian Researchers of the Pacific Ocean in the 18th Century and the First Half of the 19th], which began to be published in 1984.<sup>17</sup> This series combines the Asian and Pacific areas of A.L. Narochnitskiy's study of original sources.

The Asian-Pacific region is playing an increasingly important role in contemporary international relations. In reference to the situation in this region, M.S. Gorbachev noted in the political report of the CPSU Central Committee to the 27th party congress that "there are many intricate knots of contradictions in this vast region, and there is political instability in some parts of it."<sup>18</sup>

As we know, the Soviet Union has proposed the creation of a security system in the Asian-Pacific region which would be an important part of the comprehensive system of security in today's world. Soviet historians of international relations are actively involved in the preparation of works connected with the entire group of foreign policy issues in the Asian-Pacific region. Obviously, serious and thorough research in this field will be impossible without a study of the genesis of international relations in this part of the world. The Marxist-Leninist principle of historical analysis as the methodological basis of our investigations of Asian-Pacific issues now dictates reliance on the works of the Soviet historians who have been studying the history of international relations in the Far East for a long time. The basic works written by A.L. Narochnitskiy have proved that many problems in the East Asian states' relations with one another and with the West European states and the United States today came into being in the 18th and 19th centuries. The United States, as well as England, France, and other European powers, conducted a colonial policy in huge sections of East Asia with the aim of making the natives the slaves of foreign capital and depriving them of their sovereign rights and the ability to take an active part in international relations.

When we refer to the works of Aleksey Leontyevich Narochnitskiy, we are referring not to the past science of Soviet history, but to the present and future of this science: Basic works written by him or under his supervision are still being published. The anthology of articles "Problemy metodologii i istoricheskogo issledovaniya istorii vneshego politika Rossii" (1986) warrants another mention in this context.

A.L. Narochnitskiy's scientific organizational and research activity is multi-faceted and productive. It cannot be described in its entirety in this short article. His works on international relations and the national liberation movement in the Balkans alone won him widespread recognition, and in 1981 Aleksey Leontyevich was elected a foreign member of the Serbian Academy of Sciences and Arts (SFRY).

For 25 years A.L. Narochnitskiy headed the schools of modern and contemporary history of Moscow State Pedagogical Institute imeni V.P. Potemkin and Moscow

State Pedagogical Institute imeni V.I. Lenin. He is the author and editor of many textbooks, and one of them, "Novaya istoriya" [Modern History] (pt I), has been issued in four editions (the latest in 1986). For several years Aleksey Leontyevich was also the head of an expert commission on history of the USSR Council of Ministers Higher Certification Commission. He has trained over 70 candidates and more than 20 doctors of sciences.

Between 1974 and 1979 A.L. Narochnitskiy was the director of the USSR History Institute of the USSR Academy of Sciences, in 1975 he was appointed head of the sector on the history of Russian foreign policy, and in 1979 he was appointed head of the Department of the History of Soviet and Russian Foreign Policy in the USSR History Institute. In 1972 Aleksey Leontyevich was appointed the head of the academic council on "The History of the Foreign Policy of the USSR and International Relations" in the History Department of the USSR Academy of Sciences and a member of the History Department Buro.

From 1962 to 1974 A.L. Narochnitskiy was the chief editor of NOVAYA I NOVEYSHAYA ISTORIYA, from 1957 to 1964 and from 1981 to the present he was a member of the editorial board of VOPROSY ISTORII, and from 1974 to 1981 he was a member of the editorial board of ISTORIYA SSSR.

In addition to this, A.L. Narochnitskiy made a significant contribution to the development of the science of history in the USSR as a member of the editorial boards and commissions of such basic works as "Vsemirnaya istoriya" [World History], "Istoriya SSSR s drevneyshikh vremen do nashikh dney" [The History of the USSR from Ancient Times to Our Day], "Mezhdunarodnoye rabocheye dvizheniye. Voprosy istorii i teorii" [The International Workers Movement. Questions of History and Theory], "Istoricheskiy opyt trekh rossiyskikh revolyutsiy" [The Historical Experience of the Three Russian Revolutions], and others.

Aleksey Leontyevich Narochnitskiy's name is known far beyond the boundaries of our country, and not only as an outstanding historian but also as a prominent public spokesman. He is the vice president of the USSR-Mexico Society of the Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries, a member of the buro of the National Committee of Historians of the Soviet Union, a member of the Soviet Committee for European Security and Cooperation, and a member of the USSR Academy of Sciences Academic Council for the Study of Peace and Disarmament Issues. A.L. Narochnitskiy is actively strengthening scientific contacts between Soviet historians and historians in foreign countries by taking part in many congresses and conferences, heading the Soviet section of the USSR-SFRY Commission of Historians (since 1974), and working on the USSR-GDR Commission of Historians.

The multifaceted research, pedagogical, and social activity of Academician A.L. Narochnitskiy has won him high government honors. In 1983 he was awarded his second State Prize of the USSR for his analysis of the diplomatic history of World War II in the 12-volume work "Istoriya vtoroy Mirovoy voyny" [The History of World War II]. He was awarded the orders of the October Revolution and the Labor Red Banner for his services in the development of the Soviet science of history.

Academician Aleksey Leontyevich Narochnitskiy is still strong and energetic and will celebrate his birthday with new works and new plans for projects.

Soviet orientalists and experts on Far Eastern affairs, just as all the other members of the scientific community, wish Aleksey Leontyevich good health and continued success in all areas, including the study of the history and contemporary problems of international relations in the Far East.

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## REORGANIZATION OF SYSTEM OF VOCATIONAL TRAINING IN CHINA

Moscow FAR EASTERN AFFAIRS in English No 2, 1987 pp 104-107

[Article by B.N. Basov]

**A**ccording to Chinese press reports, there is a serious disproportion between the national economy's demand in personnel and its availability in today's China. The shortage of skilled personnel is especially growing into a major problem hindering the modernisation of industry and China's economy as a whole.

An All-China Workers' Meeting on the Problems of Education, held in May 1985 in Peking, dealt with ways of solving the problem. As reported by *Renmin ribao* (May 31, 1985), the speakers discussed programmes for advancing education in China and proposed that all party and administrative leaders, educationists and the public be mobilised to implement them. They raised the important issue of effectively combining educational reform with the economic reform in town and the countryside. Reorganisation of the system of education and its structure must ensure an adequate inflow of professionally trained youth in the sphere of production. It is believed that the problem can be solved primarily by expanding the vocational training of the youth.

Speaking at the Meeting, Wan Li Member of the Politburo of the CPC Central Committee and Deputy Premier of the PRC State Council, called education an "important field of capital investment". Referring to the top-priority tasks of the current reform of education, he especially emphasised the need to "concentrate all efforts on the development of vocational training". In his view, this need arises from the fact that today "the overwhelming majority of countries, especially the developed states, consider vocational training a top-priority task, and make it a major part of the modern system of education". In China, Wan Li went on to say, "vocational training is developing comparatively slowly" and "continues to remain the weakest link in the sphere of education". This is the result of the existing irrational structure of secondary education, which has created a "disproportion between high- and medium-level specialists and skilled workers". Wan Li meant that the majority of school-leavers are compelled to take up jobs without any vocational training. Chinese newspaper reports say that a mere 4 percent of secondary school graduates have the chance of being enrolled in higher education establishments, and about 6 percent—1 specialised secondary education establishments. It follows that nine out of every ten school-leavers have to find some job. The bulk have no training whatsoever.

Beginning in the early 1980s, the situation is being dealt with most seriously. Besides giving the pupils general education schools were instructed to offer training in skilled labour. The Chinese press emphasises that "important turns" are being made from higher percentage of enrollment in higher educational establishments to the training of labour reserves; from attention to general secondary schools to combining general education and the system of vocational training. Back in May 1983, a decision "Concerning Reorganisation of the Structure of Secondary Educa-

tion in Towns and Development of Vocational Training" was issued. The document set the objective of streamlining the student population in the network of vocational and general secondary schools by 1990.

To this end, special vocational training classes are now organised in ordinary schools, many of which have also been converted into vocational training schools. This work is far from complete. As was stressed at the 1985 Meeting, the shortage of professionally trained young personnel "seriously affects the possibility of applying new technology and production methods, labour productivity and the quality of output". The modernisation of China's economy and the transfer to higher technology in production make the problem of personnel increasingly serious. If left unattended, the Meeting's decision said, this problem "may have a negative effect on the further development of the economy and the society". It was established that the reasons for the slow development of vocational training were many. But the main one today is the outdated system of employment. A vocational training school diploma has not yet become the principal document when applying for a job.

At the time the All-China Workers' Meeting on the Problems of Education was held, the CPC Central Committee had completed drafting a resolution on the reform of the educational system. The document, published by *Renmin ribao* on May 29, 1985, was prepared thoroughly and discussed at many levels, Secretariat of the CPC Central Committee inclusive. The document sets forth guidelines for the development of education in China, giving special attention to vocational training. Commenting on the resolution, *Renmin ribao* stated once again that vocational training was not duly developed, despite the fact that it was badly needed given the immense scale of economic construction in the country. Socialist modernisation requires not only a large number of highly-qualified scientific and technical staff, but also millions of medium- and lower-level personnel, the newspaper writes in conclusion.

The CPC Central Committee resolution calls for "even more vigorous efforts to develop vocational training, continuing in the process to pay adequate attention to general secondary and higher education". A task was set to achieve a situation where each applicant for a job would have the necessary vocational training, so as to realise the principle "Training First, Job Placings Later".

The CPC Central Committee document spells out two concrete problems which have to be overcome to develop vocational training successfully and recommends measures needed to resolve these problems.

First, the problem of shortage of skilled instructors for the system of vocational training should be resolved. The resolution envisages "establishment of stable channels for additional teaching staff" and, specifically, the opening of some specialised pedagogical institutes and the setting up of relevant pedagogical faculties within major specialised higher educational establishments. It is deemed feasible that a number of major research organisations should also train instructors for vocational training schools. Research workers and specialists from enterprises and organisations should also be involved in teaching activities. The CPC Central Committee resolution stresses that the state alone cannot assume full responsibility for solving this problem and points out that the responsibility for organising secondary vocational training with due account of specific local conditions, lies mainly on local authorities.

Second, resources must be found to build and equip vocational training schools. The resolution recommends that local resources should also be utilised for this purpose.

The goal, the CPC Central Committee resolution states, is the creation of a system of vocational training, the components of which should be interconnected from top to bottom. This system should ensure sectoral

comprehensiveness and a close and flexible connection between vocational training and the needs of national economic and social development.

The All-China Meeting on the Problems of Politechnical Education, held in July 1986 in Peking, concentrated mainly on secondary special and technical schools, but the problem of vocational training was also dealt with in some detail. According to *Guangming ribao* (July 6, 1986), the speakers noted that many secondary technical schools graduates are employed as workers rather than technicians, despite the shortage of medium-level technical personnel.

As already noted above, responsibility for developing vocational training is laid primarily on local authorities. The Chinese press writes frequently about this. Specifically, *Renmin ribao* (July 31, 1986) evaluated the "positive experience in developing vocational training in Shanghai". The newspaper pointed primarily to the "rapid rates of reorganisation". In 1980, as few as 2,000 people were admitted to the city's vocational training schools and special vocational training groups, whereas in 1985 the figure jumped to 25,000. In that year, there were 95 vocational training schools and 5 district vocational training centres in Shanghai. Besides, vocational training groups were organised at 249 general education secondary schools enrolling nearly 50,000 pupils. The success, the newspaper says, was ensured primarily by "good cooperation between production departments and the local education administration". In early 1983, Shanghai's local government approved "Interim Rules for Vocational Training Schools and Vocational Training Groups at Secondary Schools". The document was drafted by three ministries in charge of education, labour, and finances. Experience has shown that such cooperation in organising vocational training has a lot of advantages. Above all, as *Renmin ribao* writes, the channels of communication were cleared between vocational training and industrial-economic departments, which makes it possible to "ensure economic construction with initiative and flexibility". Education bodies determine, without delay and in keeping with requests from economic departments, the list of entrants by number and specialisation and adapt syllabi. In turn, industrial departments tackle many problems, including the provision of the necessary equipment and experienced instructors so as to facilitate the training process. Most important, the newspaper says, such organisation makes it possible, if need be, to alter the structure of production at enterprises and train skilled workers in advance.

The advantages of organising vocational training collectively, that is, by a number of departments, are obvious, *Renmin ribao* writes. By now, 96 percent of educational establishments within the system of vocational training operate on the basis of this principle. Jointly organised education makes it easier for school-leavers to get jobs and at the same time provides personnel for enterprises. The newspaper reports that a gas plant will soon be commissioned in Pudun, a Shanghai district, and over one thousand vocational school-leavers who will work there, have begun their workshop training.

When vocational training is organised on the principles described above, *Renmin ribao* writes, it becomes easier to provide educational establishments with teaching staff. The two interested parties supplement each other. Two-thirds of a total of 2,100 instructors specialising in professional disciplines were sent to Shanghai's vocational training schools by production departments. At the same time, almost all the teaching staff specialising in general education disciplines came to the system of vocational training from ordinary schools.

Evaluating the Shanghai experience, *Renmin ribao* refers to the principle "Training First, Job Placings Later" as a positive phenomenon. Shanghai's First Trade Department, the newspaper reports, has establish-

ed jointly with the city Department of Education three vocational training schools and special vocational training groups at 15 secondary schools which have trained 5,200 people in recent years. As a result, in 1983-1984 over 90 percent of the new employees at the Trade Department were graduates from vocational training schools and groups.

It should be noted in conclusion that the Chinese press, although writing profusely about the development of vocational training, says practically nothing about streamlining this form of training and including it in the integral state system of education. Objective factors, above all economic, may be the reason for this. Indeed, vocational training in China is developing so far at the local level. This gives rise to a number of new problems, such as a wide gap between the system of vocational training and the system of education at higher educational establishments. Vocational training school graduates have practically no chance of being admitted to higher educational establishments because of their inadequate level of general education. A considerable expansion of China's investment opportunities is required to solve the problem successfully.

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## BOOK ON LIFE, POLITICAL VIEWS OF SUN YATSEN REVIEWED

Moscow FAR EASTERN AFFAIRS in English No 2, 1987 pp 108-111

[Review by M.L. Titarenko, doctor of philosophical sciences, of book "Zaveshchaniye kitayskogo revolyutsionera. Sun Yatsen: zhizn, borba i evolyutsiya politicheskikh vzglyadov" [The Behest of the Chinese Revolutionary. Sun Yatsen: His Life, His Struggle, and the Evolution of His Political Views] by S.L. Tikhvinskiy, Moscow, Politizdat, 1986, 224 pages, illustrated]

November 12, 1986, marked the 120th birth anniversary of outstanding Chinese revolutionary democrat Sun Yatsen. The anniversary was widely observed in the People's Republic of China: there were gala meetings in Peking and other Chinese cities associated with Sun Yatsen's life and work, scientific symposia and conferences devoted to the study of his views and heritage. The *Complete Works of Sun Yatsen* came off the press, numerous articles about him appeared in journals and newspapers and other commemorative functions also took place.

Similar conferences and functions were held in the Soviet Union as well. Soviet people always thought with profound respect of Sun Yatsen, the great son of the Chinese people and ardent advocate of Soviet-Chinese friendship, and evinced great interest in the life and work of this "revolutionary democrat endowed with the nobility and heroism",<sup>1</sup> as Lenin put it. Sun Yatsen's economic, political and philosophical views have been analysed in a host of books and articles. Special mention should be made of the second, enlarged and revised, edition of the *Selected Works of Sun Yatsen* edited by Academician S. L. Tikhvinsky and published in 1985 (the first edition came out in 1964). The second edition, containing Sun Yatsen's letter to Japanese political figure Inukai Tsuyoshi and his *Three Popular Principles*—lectures previously unpublished in the Soviet Union—enables many Soviet readers to get a more inclusive idea of Sun Yatsen's revolutionary activity, his socio-political and philosophical views.

To mark Sun Yatsen's 120th birth anni-

<sup>1</sup> V. I. Lenin, *Collected Works*, Vol. 18, p. 165.

versary, Politizdat Publishers put out a fundamental study by Academician S. L. Tikhvinsky, Chairman of the Soviet-Chinese Friendship Society, under the title *The Best of the Chinese Revolutionary (Sun Yatsen: His Life, Struggle and the Evolution of Political Views)*.

Tikhvinsky has for many years been studying Sun Yatsen's life and work, focussing primarily on his anti-imperialist struggle, the evolution of his views on the tasks and tactics of that struggle, and his friendship and cooperation with Soviet Russia. He also denounced the falsification of Sun Yatsen's activity and ideas by Western historiographers. The author has considerably revised his book *Sun Yatsen's Foreign Policy: Ideas and Practice (From the History of the National Liberation Struggle of the Chinese People in 1885-1925)*, a small edition of which appeared more than twenty years ago\*. He added some new material to it and brought to light the fact that Sun Yatsen's ideas are still topical in conditions of the struggle being waged by all the progressive forces for peace, equality among all countries and peoples, for an end to backwardness and for further development.

Tikhvinsky opens his book with the story of Sun Yatsen's early years. He analyses the main factors that influenced the evolution of his world outlook, among them the traditions of the anti-Manchu struggle of the people of Guangdong (the southern province where Sun Yatsen was born), China's defeat in the Franco-Chinese war (1884-1885) and his acquaintance with the bourgeois democratic ideas of Western thinkers. The Soviet historiographer describes the "reformative period" in Sun Yatsen's ideas on the basis of one of the revolutionary democrat's early works, namely "Presentation to Li Hongzhang" (1894), which reflected his views on China's domestic and international situation and showed that he "was deeply upset to see China oppressed by imperialist powers and was looking for ways of resurrecting

\* V. N. Nikiforov called this book a most valuable of Soviet studies on Sun Yatsen in his article "Sun Yatsen's Activity After the October Revolution" in *Soviet Historiography* (*Novaya i noveishaya istoriya*, Moscow, No. 5, 1978) and stressed that it spurred interest among Soviet researchers in studying further Sun Yatsen's contacts with the USSR. The book also introduced new archive materials and memoirs into scholarly usage, which enabled Soviet historiographers to show Sun Yatsen's genuine attitude to Soviet experience and policy, the significance of Soviet aid, international communist movement to the Chinese national liberation struggle.

the country and raising its international prestige" (p. 14).

But that "presentation" remained unanswered. The venality and corruption of the Qing bureaucracy and the feudal government apparatus that Sun Yatsen saw during his trip to the north of the country and the defeat of Chinese troops in the war against Japan, made the young patriot renounce the idea of a reform under the existing system as well as any possibility of a compromise with the Manchu government. He opted for revolutionary struggle against the Qing dynasty. Tikhvinsky shows in his description of the activities of the League of China's Renaissance, that Sun Yatsen's anti-Manchu efforts, the attempts at early armed uprisings against the Manchus and his activity in emigration, "were objectively directed against the colonial rule of the imperialist powers in China, for they were aimed at overthrowing their mainstay in the country—the Manchu dynasty—and envisaged the establishment of a strong and sovereign Chinese state" (p. 37).

Dwelling on Sun Yatsen's activity as leader of the Chinese Revolutionary United League and on the latter's programme formulated on the basis of the three popular principles—nationalism, people's rule and people's well-being—the author of the monograph devotes much space to an analysis of the League's major foreign policy document, "The Appeal to Foreign Powers" which, according to Tikhvinsky, demonstrated both the progressive nature and the historically determined limitations of Sun's foreign policy. Unlike in the past, Sun Yatsen cherished no hope of securing support for the revolution from any foreign power and, seeking to establish an independent and sovereign China, sought the powers' neutrality in the course of the anti-Manchu revolution. The true motive behind links between the imperialist states and the reactionary Manchu regime was something he failed to understand.

Citing many facts of links between the Chinese revolutionaries, on the one hand, and the Russian revolutionary emigrants in Japan, the Japanese socialists, and Indian and Vietnamese fighters for independence, on the other, Tikhvinsky justly makes the following conclusion: "There is no doubt that Sun Yatsen deeply sympathised with the national liberation struggle waged by peoples of colonial countries and was sharply critical of the aggressive foreign policy

the capitalist powers pursued. Nevertheless, himself he set forth no openly anti-imperialist slogans between 1905 and 1911 primarily for tactical reasons" (pp. 57-58).

Still during that period, influenced by the "era of Asia's awakening" after the 1905 Russian revolution, Sun Yatsen's views underwent a certain change as regards his assessment of the capitalist powers' policy and the nature of their aid to China, which Tikhvinsky convincingly illustrates by citing letters Sun Yatsen wrote to Russian populist N. K. Russel (Sudzilovsky) in 1906. The author shows that in his letters Sun Yatsen was soberly critical of Russel's ideas on the possibility of attracting capital and experts from capitalist countries for the needs of China's economic development. Sun Yatsen's statement on the impossibility of selfless aid from American and European capitalists for China's industrial development, and also on a flat refusal to accept that aid on unequal terms, are still relevant today. Western political analysts often claim in their works that transfer of advanced Western equipment and technology to China is conditional to the advantages the capitalist world will accrue from the former's international activities. The author quotes the following remarks made by Sun Yatsen in his letter to Russel: "Perhaps, I have misunderstood You in connection with Your address to the American capitalists, but if what is meant is not a purely altruistic approach I see nothing good in it. They are no fools to commit commercial suicide by helping China to attain industrial might and become independent. I'm firmly convinced that, should we show the slightest intent to embark upon that road, the entire capitalist world of Europe and America would clamour about the industrial yellow peril. It is, therefore, absolutely obvious and understandable that their interests amount to, first and foremost, turning China forever into a victim of industrial backwardness" (p. 52).

Describing Sun Yatsen's work in the capacity of the provisional president of the Republic of China against the backdrop of the Xinhai revolution, as well as the foreign powers' hostility towards him and his associates who demanded that China's national sovereignty be defended, the Soviet scholar draws broadly on the reaction of the Bolshevik press in Russia and its leader, Vladimir Lenin, to the struggle waged by the Chinese revolutionary democrats against internal and external reaction.

All through his study the Soviet historian expounds the idea that in the course of all the defeats, failures, retreats and crises, Sun Yatsen accumulated knowledge and political experience, which formed the basis for the qualitative changes in his views during the early 1920s. Tikhvinsky writes that under the impact of the mounting national liberation movement of the Chinese people, the first acquaintance with the experience of Soviet Russia and contacts with its representatives and also the Chinese progressives' dashed illusions of getting help from capitalist countries, or of the possibility of teaming up with some Chinese militarist groupings, "Sun Yatsen increasingly came to realise that only through liberation from the yoke of the imperialist powers could the country be united and the militarist cliques abolished".

Drawing on ample documentary material, the author makes a detailed analysis of the intricate process by which Sun Yatsen's new views on the prospects for the Chinese revolution shaped up. Tikhvinsky is far from idealising the political programme of Sun Yatsen; he points to the traces of bourgeois nationalism inherent in it and reveals their origin. At the same time the book observes that in the last years of his life Sun Yatsen abandoned many of his former nationalistic ideas and emphasised the need for solidarity with Soviet Russia among the participants in the anti-imperialist struggle, stressing that it was of vital importance for China to establish close alliance with the USSR. Tikhvinsky came to these conclusions, important in scientific as well as political terms, after a thorough analysis of Sun Yatsen's speeches and letters of 1922-1924, among them his letter to Inukai Tsuyoshi, and correspondence with Chicherin and Tolle, as well as his lectures on the "Three Popular Principles".

During that period of time Sun Yatsen more actively propagated the experience of the Great October Socialist Revolution in Russia, passionately called for the development and strengthening of Sino-Soviet friendship, and resolutely opposed the right-wing elements in the Guomindang who were against any alliance with the USSR, the Communist Party of China and the masses. All these endeavours of Sun Yatsen reflected the interests of the broad strata of the Chinese people, including the comprador bourgeoisie, the peasants, the workers and the intelligentsia. He came to realise

that the revolutionary movement of the Chinese and Russian peoples had common goals and tasks. Talking to a correspondent at the Japanese port of Nagasaki in November 1923, he said: "The goals of the Chinese revolution coincide with those of the Russian revolution, just as the goals of the Russian revolution coincide with those of the Chinese revolution. The Chinese and Russian revolutions follow the same route." (p. 209)

Bringing more criticism on Western historiographers who often distort Sun Yatsen's ideas and the meaning of his activity, Tikhvinsky included in his new work a section, "Sun Yatsen's Attitude to the USSR Distorted by the Opponents of Soviet-Chinese Friendship", in which he discussed the new trends in the studies on Sun Yatsen undertaken by Western historians and political scientists in the 1970s and the early 1980s. After analysing the main postulates of books and articles written by C. Wilbourg (USA), G. Kindermann (West Germany), H. Shiffrin (Israel) and others, the Soviet historiographer concludes: "...Western political scientists continue their efforts to drive a wedge in the relations between China and the USSR but the peoples of our states are linked by firm friendship initiated by great Lenin and the outstanding Chinese revolutionary democrat Sun Yatsen" (p. 223).

Sun Yatsen died when his activity was at its peak and his hopes and plans were vigorously materialising. Before his death he left a "Behest" in which he urged that the cause of the national revolution be pursued to its logical conclusion. He also left "Message to the Soviet Union" which read: "Dear comrades! In this last farewell, I want to express my ardent hope that the dawn will soon come. The time will come when the Soviet Union, as the best friend and ally, will welcome a powerful and free China, when in the great battle for the freedom of the oppressed nations of the world the two countries will advance hand in hand and win a victory" (p. 213).

The new book by leading Soviet historiographer and Sinologist Tikhvinsky attests to the Soviet people's profound respect for the outstanding Chinese revolutionary democrat and China's democratic revolutionary traditions. It is also an important contribution to the Marxist analysis of the ideological legacy of Sun Yatsen and his experience in the struggle for China's national liberation and renaissance. Needless to say, even

such a fundamental research will hardly cover all the aspects of Sun Yatsen's ideological legacy. For example, problems connected with the "mingquan" principle, the relationship of the traditional and the new in Sun Yatsen's ideology, his humanistic views and their impact on the ideological and political struggle in China in the subsequent period are yet to be further elaborated.

Subsequent research into the activity and views of Sun Yatsen could be a fruitful sphere of scientific contacts between Soviet and Chinese historiographers that would enable broad sections of the two countries' population to learn more about Sun Yatsen's great contribution to the anti-imperialist struggle and the development of friendship between the Soviet Union and China.

## BOOK ON PEOPLE'S KOREA REVIEWED

Moscow FAR EASTERN AFFAIRS in English No 2, 1987 pp 111-114

[Review by Yu.I. Ognev, candidate of historical sciences, of book "Koreyskaya Narodno-Demokratische Respublika" [The Democratic People's Republic of Korea], Moscow, Nauka, 1985, 272 pages]

The monograph under review was written by a group of specialists at the Institute of the Economy of the World Socialist System under the USSR Academy of Sciences and is a new study in "The Economy and Politics of Foreign Socialist Countries" series. It sums up the results of the DPRK's 40 years of development along the road of building a new society and examines the laying of the foundations of socialism in the country. It also deals with the strategy of socio-economic development in the 1980s, describes the internationalist assistance of the socialist countries in the solution of the DPRK's complex economic and foreign policy problems, traces the development of the explosive situation on the Korean Peninsula as a whole and the DPRK's role in the struggle for a peaceful settlement there and for ensuring security in the Far East. Formed in 1948, the Democratic People's Republic of Korea, thanks to the selfless efforts of its people and cooperation with other socialist countries, has emerged from colonial backwardness to become a socialist state with a developed industry, sound agriculture and advanced science and culture, within a historically short period. The country's rates of industrial development are impressive. In the second seven-year development period (1978-1984) gross industrial output increased by 130 per cent.<sup>1</sup> The country has

achieved significant successes in its advance towards the proclaimed aim—socialism. Its international prestige has enhanced; ties with the Soviet Union and other socialist countries have been further developed.

The process of the assertion of the people's democratic regime in North Korea and of socialist transformations confirmed the scientific substantiation of the Marxist-Leninist theoretical thesis on the common laws governing the development of all socialist countries. At the same time, the building of socialism in the DPRK has its individual features determined, according to the monograph, by peculiar objective factors such as the colonial past, the division of the country, the continuing military and political confrontation with the pro-American regime in South Korea and the consequences of the US aggression. This process has also witnessed manifestations of the laws that are typical of countries that have bypassed, or are bypassing, the capitalist stage of development.

The book contains a detailed analysis of the two main stages of socio-economic transformations in the DPRK—the general democratic stage of the revolution and the socialist transformation of society (1945-1960) and the stage of "socialist construction proper", which started in the 1960s (p. 34). The authors study the national concept of the DPRK's transition to socialism, which includes the thesis of the need to continue three revolutions in conditions of the victorious socialist system—ideological, technological and cultural—in accordance with the strategy of transition to socialism under conditions of an underdeveloped country that had not gone through the stage of capitalist development (p. 39).

<sup>1</sup> Pravda, May 22, 1985.

The authors point out that the structural policy, as a component part of working-out the concept of the building of socialism in the DPRK, was formed in the course of direct economic development; it was tested by time and took into account the experience of fraternal countries, particularly the collectivisation of agriculture and socialist industrialisation. It also copied a number of features of economic management in the early stages of the building of socialism in the USSR. The implementation of this policy is divided into four stages: rehabilitation of the national economy (1946-1949, and 1954-1956); the creation of the base of socialist industrialisation (1957-1960) which, simultaneously with socialist transformations, signified the completion of the foundations of socialism; the period of large-scale industrialisation and major structural changes in the national economy (1961-1970); technical reconstruction and modernisation of the national economy (1971-1984) (p. 43).

The present stage of the DPRK's development, which began with the six-year plan (1971-1976) and continued in the years of the second seven-year plan (1978-1984) while solving the main strategic task of the entire period of transition—the creation of a material and technical base which is fully in accordance with the victorious socialist society, and sharply increasing the material and cultural standard of the people's life—sets forth new problems connected with the transition of the country's economy to a qualitatively higher stage of development. The main emphasis is being made on enhancing the scientific and technological revolution.

When studying the specific features of solutions to the main economic problems in the DPRK, the authors of the monograph note the complicated political conditions under which socialism is being built in that country: the division of Korea, the instability of the situation of the Korean Peninsula, the threat to the DPRK's security posed by American troops stationed in South Korea, the growing militarisation of the South Korean regime and also the unceasing provocations against the DPRK. All this compels the DPRK to divert considerable material and manpower resources to maintain its defences at the appropriate level.

At the same time the strategy of building the material and technical base of socialism in the country invariably includes the task

of sustaining high economic growth rates. An important role in modernising the economy is attached to the development of science, to transition of production and technological processes and economic activity on a new scientific foundation (p. 48).

The authors examine the economic policy, the development of the main branches of industry and transport as well as the agrarian and social policies. Using extensive factual material, they show the main factors and conditions of the DPRK's economic growth, the structure of its economy and its distribution among economic areas, the development of individual branches of industry, transport, communications and agriculture.

Of great interest is the analysis of the social policy of the Workers' Party of Korea (WPK). Improvement of the people's living standards is the supreme principle guiding the activities of the WPK and the state (p. 111). The positive shifts in the international situation in the 1970s have had a favourable impact on the fulfilment of the WPK's social policy. Relaxation, to a certain degree, of tension on the Korean Peninsula during that period enabled the DPRK government to cut defence spending from 30 per cent of all state budget spending in 1966-1971 to 16-17 per cent in the subsequent years. Expenditures on socio-cultural needs were substantially increased at the same time. The DPRK's achievements in the field of education are impressive. Compulsory education, consisting of one-year pre-school and ten-year general education, was introduced in the country in 1975. By the early 1980s the number of higher educational establishments had increased to 162 (including those run by industrial enterprises) (p. 119).

The DPRK's foreign policy holds a place of prominence in the book under review. There is a very detailed analysis of the country's foreign economic ties, of the policy of the WPK and the DPRK government directed at strengthening economic, scientific and technological cooperation, in the first place with the USSR and other socialist countries.

In the 1960s DPRK's foreign trade increased at a faster rate as compared to other socialist countries, but in the 1970s it began to lag behind in this field. The main explanation is that in the 1970s the CMEA countries began to carry out measures of integration to attain their common aims.

The socialist economic integration opened up new possibilities for mobilising and putting to common advantage the internal resources and reserves for increasing mutual trade. It is pointed out in this connection that "the DPRK has many untapped reserves as regards the utilisation of the advantages offered by a more extensive participation in the international socialist division of labour" (p. 152).

Today, socialist countries continue to be the DPRK's main trading partners and account for some 60 per cent of its exports and imports. Of this figure the CMEA countries account for about 40 per cent, with the share of the USSR being almost 30 per cent. Just as in the past, the Soviet Union remains the DPRK's main foreign trade partner.

It is difficult to overestimate the importance of economic cooperation with the USSR for the development of the DPRK's economy and the strengthening of its might. In 1982 the share of the country's enterprises built with Soviet assistance accounted for some 63 per cent of the electricity generated in that country, 33 per cent of steel, 11 per cent of cast iron, 38 per cent of ferrous rolled stock, 50 per cent of oil products, 25 per cent of coke, 20 per cent of fabrics, 14 per cent of chemical fertilizers and for 42 per cent of all mined iron ore (pp. 174-175). Enterprises built with Soviet assistance form the backbone of the DPRK's economy and can be found virtually in all the main branches of the country's economy. The European socialist countries are giving important and substantial assistance to the DPRK's economic development. The DPRK is not a member of the Council for Mutual Economic Assistance (CMEA) but, in accordance with its Charter, it participates as an observer in the work of some of its bodies. For instance, it takes part in the work of the Organisation for the Cooperation of Railways, the Organisation for the Cooperation of Socialist Countries in the Field of Electrical and Postal Communications and in the work of the Joint Nuclear Research Institute (p. 196).

The DPRK and the socialist countries in Europe are actively developing ties in the field of culture, science, sports and public health, and are cooperating in the field of radio and television.

The DPRK is also actively developing co-operation with socialist countries that are not members of the CMEA, in particular

with the People's Republic of China. In fact, the PRC is its second biggest trade and economic partner after the Soviet Union. After the end of the Korean war (1950-1953) China rendered the DPRK free assistance to the tune of 800 million yuan and helped rebuild the country's economy and create its material and technical base in the subsequent years. Early in the 1980s China accounted for about 20 per cent of the DPRK's foreign trade turnover (p. 160).

Experience shows that cooperation with socialist countries is of immense importance for the DPRK's economic and political development. Expansion and diversification of the DPRK's ties with these countries are an important factor and condition for accelerating the process of building a fully victorious socialist society on Korean soil (p. 210). "The firm support and solidarity of socialist countries with our people's cause of socialist construction and the cause of the motherland's unification patently show once again the strength of the bonds of friendship linking our people with the peoples of the Soviet Union and other European socialist countries, the profoundness and sincerity of the class friendship and comradely relations between the peoples of the fraternal countries of socialism", wrote the magazine *Kunroja* of the WPK Central Committee. "The successful building of socialism requires, along with maximum mobilisation and utilisation of the energies of the population and the internal sources of a specific country, the development of economic and technological exchanges as well as cooperation with fraternal socialist countries".<sup>1</sup>

Chapter IV of the 3rd section, "Imperialism's Global Strategy in the Far East. The Turning of South Korea into a Military-Political Ally of the United States and Japan" seems only relatively connected with the main theme of the monograph and is of a somewhat schematic nature. In it the authors attempt to show the place of the South Korean military bridgehead and Japan in US imperialism's global strategy. A brief outline of the history of the American aggressive policy in Korea and also of relations between Tokyo and Seoul (pp 218-229) gives a sufficient insight into the present military and political situation in the region. One cannot but agree with the authors' conclusion that the creation of the

<sup>1</sup> *Kunroja*, No. 5, 1985

Washington-Seoul-Tokyo triangle is the main destabilising element of the political situation in the Far East directed not only against socialist countries but also against all the Asian peoples, that it threatens peace and security in the region. Chapter V, "South Korea in the 1960s-1980s", included in the 3rd section, is also of an auxiliary nature and contains a brief review of the political and economic developments in South Korea during the past twenty years.

The concluding part of the monograph is devoted to the DPRK's struggle aimed at defusing the tension on the Korean Peninsula and creating favourable conditions for an independent reunification of the currently divided Korea (p. 252). The constructive and rational programme of a peaceful settlement in Korea, worked out by the WPK and the DPRK government, provides for a replacement of the armistice with a peace treaty, the signing of a non-aggression declaration by the North and the South, the development of contacts and economic co-operation between them and the formation of a single Korean confederative democratic state. This programme has the support of the absolute majority of the Korean people and the international public. Along with this comprehensive programme for relaxing tension and achieving a peaceful settlement of the Korean problem, the DPRK proposes that the Korean Peninsula be declared a nuclear-free zone.

The countries of the socialist community are a reliable ally of the Korean people in its just struggle. They do not limit themselves to giving the Korean people moral support in its struggle for the right to shape its own destiny peacefully and independently. Thanks to the USSR and the other fraternal socialist countries, the DPRK has everything it needs to defend reliably the socialist gains and resist the aggressive designs of imperialism and its ilk.

The Soviet-Korean Treaty of Friendship, Cooperation and Mutual Assistance, signed in July 1961, is a key guarantee of the DPRK's sovereignty, of peace and stability in the Far East. The General Secretary of the Workers' Party of Korea Kim Il Sung spoke highly of the importance of Soviet aid and support and noted that "in the past the Soviet people paid a price of blood helping our people in its struggle for the homeland's rebirth, gave us moral support and material assistance in the years of the liberation war and in the difficult period of post-war rehabilitation and construction. And today, too they are giving our people active support and assistance in the determination to build socialism and to achieve an independent and peaceful reunification of the homeland. Our people always remember this with gratitude".<sup>3</sup>

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<sup>3</sup> *Pravda*, May 24, 1984.

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## BOOK ON PLANS FOR 'PACIFIC COMMUNITY' REVIEWED

Moscow PROBLEMY DALNEGO VOSTOKA in Russian No 1, Jan-Feb 87 (signed to press 12 Jan 87) pp 176-178

[Review by R.D. Khlynova, candidate of economic sciences, of book "Protivorechiya i perspektivy formirovaniya 'tikhookeanskogo soobshchestva'" [Contradictions and Prospects of "Pacific Community"] by Ye.B. Kovrigin, Moscow, Mezhdunarodnyye otnosheniya, 1986, 176 pages]

[Text] In the middle of the last century, K. Marx could already foresee the Pacific region's greater importance in world economic relations and wrote: "The Pacific Ocean will play the same role as the Atlantic Ocean is playing now and the Mediterranean Sea played in ancient and medieval times--the role of a great waterway for world relations."<sup>1</sup>

This prediction was completely valid. Today the Pacific region, where several dozen states and more than half of all the world's people are located, is an important center of world economics and international trade. It accounts for more than half of the world's industrial product and almost a third of its foreign trade. The region as a whole is distinguished by relatively high rates of economic growth in comparison with Western Europe. The development of intraregional trade and economic relations has also been relatively rapid.

All of this is naturally leading to the mutually beneficial economic convergence of the countries and territories of the Pacific basin and to their increased importance in the world economy and international relations.

With a view to this, the United States, with the help of its allies, is trying to turn the Pacific region into another, eastern front of struggle against the socialist countries, especially the Soviet Union, by creating an organization known as the "Pacific Community" (PC). The plans and prospects for this community are analyzed in Ye.B. Kovrigin's book "Protivorechiya i perspektivy formirovaniya 'tikhookeanskogo soobshchestva'."

As the author stresses in the introduction, "the current interpretation of the PC idea reflects the desire of influential political and business groups in some industrial capitalist countries of the region to consolidate their strength and prevent any further loss of control over the people living in the basin. As far as the general aims of the plan are concerned, the effective opposition of forces for socialism and national liberation movements is

an immutable aim of the PC, just as it is of any other form of capitalist integration" (pp 6, 7).

The author begins his analysis of problems related to his research topic with an examination of the distinctive features of the development of Pacific countries and territories (ch I).

The non-socialist countries of the Pacific basin have considerable human and natural resources and their economies are developing quickly. They can supply their own needs for virtually all of the minerals and power resources they require. Japan and part of the United States (the West Coast), which are part of this region, are now on the cutting edge of scientific and technical progress. Most of the developing countries in the region have reached the stage of economic development in which favorable conditions are established for the maintenance of strong and active contacts with industrially developed capitalist states.

In connection with this, the author says that, "theoretically, the unification, even partial, of these countries and territories can create such a powerful economic bloc that it will make the European Common Market seem like, as one American magazine remarked, 'an insignificant appendage of the Asian continent'" (p 37).

The author also says, however, that "the distance between theoretical possibilities and the realization of the 'Pacific ideal' is vast" (*ibid.*). The most important factors impeding what the author terms the "complete integration" of the countries in the region in the "Pacific Community" are the differences in their levels of socioeconomic development, cultures, religions, traditions, and customs and the considerable geographic distances between countries.

In a chapter on the development of the idea of the "Pacific Community" (ch II), the author reviews the history of the birth and development of ideas about the economic unification of the states and territories of the Pacific basin. He focuses special attention on the Japanese and American plans for the "Pacific Community," drawn up by those who initiated and inspired the idea, although they are pretending that the developing countries of the region have a greater interest in these plans.

The author cites numerous facts to prove that the idea of creating the "Pacific Community" is not only being discussed in detail in the region at all levels, including the governmental level, but is also gradually acquiring organizational outlines in the form of various national and regional organizations for Pacific cooperation. The author stresses that "the underlying motive for the plans of Japanese and U.S. ruling circles is not concern about the prosperity of the region, but selfish considerations" (p 54), aimed at using this rich part of the world in the interests of Japanese and American monopolies and in the pursuit of imperialist strategic goals.

This is confirmed by the political and diplomatic measures the United States and Japan have taken to promote the "Pacific ideal," which are discussed in

detail in the third chapter of the work. In connection with this, the views of other countries on the issue of the "Pacific Community" are also analyzed.

Subsequent chapters deal with the specific economic problems of the region, which are examined through the prism of the possible creation of the "Pacific Community."

Analyzing the specific problem of intraregional trade (ch IV), the author concludes that "the exceptionally broad contacts within the region give rise to exceptionally acute conflicts in almost each set of trade relations" (p 99), namely the relations between the two leading powers of the region, the United States and Japan; between the United States and Japan on one side and the developed capitalist countries on the middle level (Canada, Australia, New Zealand) on the other; between each of the developed countries and their partners among the developing states, particularly the ASEAN members and the insular states of the South Pacific; between developed capitalist states and the East Asian "new industrial countries" and so forth. This is why "current conflicts are more likely to inhibit the creation of an integrated group in the Pacific zone than to stimulate it" (p 102).

The fifth chapter of the book describes how the national and transnational corporations of American, Japanese, Australian, and other origins are locating their enterprises in the developing countries of the region, which are far away from sources of raw materials but have a supply of cheap labor, with the aim of increasing their profits and enhancing their competitive potential in world markets. The appearance of huge zones of foreign enterprise in these countries is aggravating ecological problems, polluting the environment, and sowing the seeds of new international conflicts. In this chapter the author thoroughly analyzes the conflicts engendered by the export of capital to the developing countries of the region and the attitudes of the latter toward the penetration of their economies by foreign capital on an increasing scale, which is making them more dependent on the economic structures of large capitalist countries.

The seventh chapter, dealing with the problem of membership in the projected "community," occupies a prominent place in the book.

Reviewing the history of questions about the projected group's composition, the author recalls that only the highly developed capitalist countries of the region, including Japan, the United States, Canada, Australia, and New Zealand, were originally slated to join the group. As the development of this concept progressed from ideas about a customs union of the "big five" listed above to plans for the creation of a larger group, giving the "big five" opportunities for the unimpeded exploitation of the resources of developing countries and territories in the region, future targets of exploitation began to be included among its possible members. In connection with this, the idea of including the ASEAN countries--the Philippines, Indonesia, Malaysia, Thailand, and Singapore, as well as Brunei, which joined the association in 1984--in the future "community" was raised. The idea of including the so-called "new industrial countries"--South Korea, Hong Kong, and Taiwan--in the projected group came into being a short time later.

Finally, the possibility of including the Latin American countries of the Pacific basin, including Mexico, Chile, Panama, and Costa Rica, in the "community" has recently been considered.

The question of membership in the projected "community," as the author points out, is still being discussed at various levels today. This is quite understandable, because it would be virtually impossible to settle this complex and fundamental matter without the general consensus of all the countries concerned. This consensus, however, does not exist yet and is not anticipated in the near future. Besides this, the very proceedings and nature of the discussions regarding future members of the "community" have aroused the suspicions of socialist countries in the region, which are clearly being left out of these matters. Virtually nothing has been said about the possible participation of the USSR, the DPRK, and the socialist countries of Indochina in the Pacific integration or even about a formal invitation for this kind of participation. This clearly indicates that the initiators of the "Pacific Community" hope to turn it into an exclusive group directed against the socialist countries of the region. These developments prompted the issuance of a statement by the Soviet Government on 23 April 1986, which specifically stresses: "Judging by all indications, certain political groups in the United States and Japan can only think of the future of the Asian-Pacific region in terms of confrontations between different countries. To this end, they are trying to establish the structure and mechanism of the so-called 'Pacific Community,' which could be transformed into an exclusive regional group and another militarist bloc in the future."<sup>2</sup>

As a great Pacific power with a direct interest in ensuring peace and universal security in this region and the rest of the world, the Soviet Union opposes these reactionary plans. It believes that the Pacific Ocean should unite, and not disunite, the peoples living on its shores and should be an ocean of peace and friendship. "The development of equal cooperation, open to all, and not the opposition of some states by others, can and must become the basis of friendly relations and stronger trust and mutual understanding between the peoples in this part of the world, just as in others," the statement of the Soviet Government stressed in this connection. "This approach--and this is what all people want--leaves no room for the hasty construction of blocs and counterblocs, the creation of various types of 'axes' and 'triangles,' the formation of exclusive groups, and the cultivation of protectionism and discrimination in trade and economic relations."<sup>3</sup> Proceeding from this belief, the Soviet Union proposed once again, in the same statement, a broad exchange of views by all interested countries in this region on the organization and development of equal, mutually beneficial, and stable trade, economic, technological, scientific, and cultural cooperation.

All of this testifies that the Soviet Union, true to the fundamental principles of its peaceful foreign policy, is consistently and vigorously advocating the inclusion of the Asian-Pacific region in the general process of the creation of a comprehensive system of international security. Specific steps toward this goal were proposed, as we know, in General Secretary of the CPSU Central Committee M.S. Gorbachev's speech in Vladivostok. It was an

amplification, with a view to the distinctive features of this region, of the basic premises of the Program of Peace adopted by the 27th CPSU Congress and the comprehensive Soviet peace proposals set forth by M.S. Gorbachev on 15 January 1986 and aimed at ridding the world of nuclear weapons completely and forever before the end of this century. Just as the USSR's new peaceful initiative extending the unilateral moratorium on nuclear tests to 1 January 1987, it has aroused the greatest interest throughout the world.

Ye.B. Kovrigin's short but informative book about one of the most complicated international issues in the Pacific zone will be of interest to the Soviet reader because it will give him a better understanding of the current phase of world political development. As the author stresses, however, the work is not intended to be an exhaustive examination of the matter and does not cover all of its aspects. The serious processes taking place today in Asian and Pacific countries and having an increasingly perceptible effect on global development need further, more detailed and comprehensive investigation by Soviet experts on the world economy and international relations.

#### FOOTNOTES

1. K. Marx and F. Engels, "Works," vol 7, p 233.
2. PRAVDA, 24 April 1986.
3. Ibid.

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## BOOK ON FOREIGN POLICY OF JAPAN IN 1980'S REVIEWED

MOSCOW FAR EASTERN AFFAIRS in English No 2, 1987 pp 114-117

[Review by A.D. Bogaturov, candidate of historical sciences, of report of World Problems Society, "The Comprehensive Protection of the Security of the Open State of Japan," Tokyo, 1985, 91 pages]

Improvement in the situation in the Asian-Pacific region is an important prerequisite for defusing international tensions. Japan, the second strongest economic power in the capitalist world and one of the more developed Asian countries, could play a significant role in reviving detente trends in the

region. That is why the interest in the Japanese leadership's approach to various aspects of present-day international life is only natural.

The work under review is a report prepared by a research organisation, the World Problems Society, on the instruction of Japanese Prime Minister Yasuhiro Nakasone. In 1983 the Japanese government gave the Society the status of a consultative body to work out recommendations on major issues of foreign and home policies.

Scientists, businessmen and experts from government institutions took part in the preparation of the report. The authors' aims were to find an optimum way toward a sharp growth of Tokyo's influence in world politics by the late 1980s and a more balan-

eed proportion of the potentialities of Japanese diplomacy to the country's economic might.

The key idea in the society's recommendations is "allround protection of security". The authors give this idea a broad interpretation: it is meant to ensure maximum and favourable external conditions for the implementation of the Japanese ruling quarters' class goals in international political and economic relations, rather than the defence of the country from a hypothetical military threat.

According to the report, Japanese diplomatic moves should aim at averting conflicts within direct proximity to Japan's borders which might necessitate the country's involvement, at preventing stoppages of the supplies of strategic raw materials and fuel and a direct military clash with another country. Proceeding from the multitude of factors which have a bearing on Japan's security, the authors concluded that the so-called complex approach to the implementation of strategic tasks was needed. "The ensuring of security is complex if done on the basis of concerted political, economic and military steps", the report says (p. 68).

Although the Society's recommendations highlight matters related to the stabilisation of energy-carriers and food supplies as well as tasks in the field of arms buildup, the authors lay special emphasis on working out foreign policy goals. In fact, the report offers a detailed programme for the Japanese ruling circles' activities in world politics in the late 1980s and early 1990s.

Assessing the current international situation, the Japanese political scientists came up with a thesis on the world's "multi-pole structure", which has replaced the "two-pole" structure characteristic of the first post-war decades. This implies increased role of Japan, Western European and other countries in world politics and, simultaneously, weakened dominating positions of the United States and the Soviet Union. Hence the conclusion that there exist objective prerequisites for Japan to shift its emphasis from bilateral relations with individual countries to multilateral cooperation (pp. 33-34).

What is the aim of the thesis? What brought about the attempts to revise the traditional notions of partners and allies?

Apparently, it is the ruling camp's discontent with the slow growth of the country's political influence that is forcing Tokyo to

modify the traditional stereotypes in the approach to international ties. "One just cannot accept the fact that Japan still is not contributing to the full to the formation, maintenance and guidance of the international order", the report says (p. 30). The need to expand the range of partners in the international community, voiced in the report, reflects Japan's desire to substantiate its claims by pleading globalisation of the country's political interests.

Demanding a more active role for Japan in resolving international issues common to all mankind, the authors of the recommendations formulate goals exceeding by far the framework of the country's national interests. They emphasise that Japan's security presupposes "the removal of the sources of international instability threatening universal peace, or its lessening, and support for efforts to defuse tensions in relations between the two opposing sides..." (p. 24).

Such an approach compelled the Japanese political scientists to generally admit the need for dialogue between countries with different socio-political systems, search for ways to overcome mutual mistrust, and talks between all interested countries—above all the Soviet Union and the United States—on a wide range of problems, starting with matters of peace and disarmament.

The idea that the level of tensions in the world should be reduced is also developed in the report's section on Soviet-Japanese relations. One cannot but agree with the authors' opinion that the aggravation of the international situation in the early 1980s prevented the Japanese side from fully appreciating the positive results and experience of cooperation between the USSR and Japan in carrying out joint projects to develop natural resources of Siberia in the 1970s (p. 38).

Invigoration of the entire complex of Soviet-Japanese ties meets the vital interests of the two countries' peoples and helps improve the situation in the Far East. The authors cannot ignore this truth and logically come to the conclusion that the sides should "continue talks and develop contacts, which can open up various prospects of overcoming the stagnant phenomena in Japanese-Soviet relations" (*Ibid*).

At the same time, the Japanese political scientists do not assess objectively the reasons for the cool Soviet-Japanese ties at the turn of the 1980s, actually brought about by Tokyo's reluctance to develop equitable and

mutually beneficial relations with the USSR, without preconditions and limitations introduced by the Japanese side under far-fetched political pretexts.

The authors of the report consider relations with the Soviet Union from the viewpoint of the goals of Japanese diplomacy in the "multipole" world, and regard them only as part of the policy of increasing the number of international partners. Developing this policy, they set forth the tasks of extending Japan's cooperation with other countries in the Asian-Pacific region, which is to be in the focus of Tokyo's growing attention for the next few decades (p. 28).

Within the framework of this policy, the World Problems Society suggests the formation of a "Pacific community", which in the foreseeable future should play the role of a regional economic organisation. The community is to include, apart from the United States, Japan, Australia and New Zealand, countries grouped in the Association of Southeast Asian Nations (ASEAN), as well as South Korea and Taiwan.

The report's authors realise that the implementation of these plans is linked to the settlement of deep contradictions among the would-be members of the Community (p. 38) including, above all, the ASEAN countries' reluctance to join the "community" because of fears that it will be turned into a closed group with military and political functions, aside from economic. Developing countries in an organisation like this will inevitably be subordinate to imperialist powers.

It should be noted that the Society's recommendations never mention the Indochinese countries—Vietnam, Laos and Kampuchea—and even Japan's intention to mediate a settlement in relations between these countries and ASEAN, though the Japanese ruling circles have actively been advocating the idea at a regional level since the mid-1970s. This clearly shows that the Japanese leadership lacks the determination to take specific steps to contribute to the normalisation of the situation in Southeast Asia.

Considering prospective developments in the Far East, the Japanese political scientists pay special attention to the People's Republic of China. They admit the existence of deep contradictions between imperialist powers and socialist China. The authors are patently worried by the gradual improvement in interstate relations between the PRC and the Soviet Union.

The report says that Chinese foreign policy after the 12th Congress of the Communist Party of China has disproved many Japanese and Western forecasts of the 1970s. It casts doubt on the ability of bourgeois political science to rightly foresee further changes in PRC's foreign policy. The society's recommendations remove the emphasis on the idea of developing allround cooperation with China and stresses the need to take into account its influence in world politics "as a highly independent force" (p. 39).

The shifts in the assessment of prospects for Japanese-Chinese relations predetermined the political scientists' proposal on the formation of new structures to somehow compensate for the erosion of the foundations of the US military strategy in the Far East and Japan's participation in it. In this connection the report considers relations between Tokyo and South Korea on which Washington specially counts in its "force game". The authors state that Tokyo's political ties with Seoul are lagging behind Japanese-South Korean economic relations and advocate the need to bridge the gap, as soon as possible, by speeding up the development of allround cooperation with the Chun Doo Hwan regime (pp. 39-40).

Though with certain reservations, the report views the invigoration of the main fields of foreign policy activities as a prime condition for the growth of Japan's influence in world politics. Does it mean that the authors doubt the expediency of the policy of following implicitly in the wake of the US, which draws just criticism not only in the international community but also in the democratic camp in Japan itself?

One has to admit that there are no grounds for speaking about a "novel approach" of Japanese political science in this respect. The report closely links the implementation of the tasks facing Japanese diplomacy in the foreseeable future with obligations under the Japanese-US "security" treaty. Relations with Washington are still described as the "cornerstone" of Japanese politics. The report envisages some growth in interaction with West European countries, provided the unconditional priority of relations with the United States is retained.

Defending Japan's claims to the role of a "great political power", the authors at the same time actually reduce the matter to a partial growth of Tokyo's status in the alliance with the US. "The world's multi-

pole structure does not imply full independence of Japan and Western Europe from the United States. One can speak only of strengthening cooperation with the US and seeking to consolidate one's role... within its framework," the report says (p. 35).

The policy which dooms Japan to the role of an obedient vehicle of Washington's policies (even when this runs counter to its national interests) can hardly enhance the country's international prestige. Growth in Japan's role in world politics is impossible without a truly independent national course. The solution of this task would inevitably entail breaking up the existing priorities.

The extension of the sphere of interaction with the US under cover of declarations about equal partnership only increases the danger that Japan can be involved in its ally's adventures and US-inspired conflicts around the world. The policy of unconditional support for the United States has nothing to do with the talk about Japan's interest in universal peace and relaxation of international tensions, so abundant in the report.

What will determine Japan's stand in the world of the 1980s and 1990s? The desire to step up its participation in military preparations of imperialist powers led by the

USA? Or will the positive trends that the report's programme contains in principle be developed?

Of late there have been some positive shifts in the sphere of Japan's international ties. They can be viewed as a partial renunciation of the policy of limited contacts with countries of the socialist community. In January 1986 Soviet Foreign Minister Eduard Shevardnadze, member of the Political Bureau of the CPSU Central Committee, visited Tokyo. The sides discussed not only matters related to bilateral relations, but also major international problems and Soviet proposals on the improvement of the situation in the world. Although the Japanese side was not prepared to give a positive answer to the Soviet initiatives, the fact that they were discussed was very important from the viewpoint of strengthening Soviet-Japanese dialogue.

One can see a certain positive shift (though not major) in Tokyo's stand on relations with other countries. The future will show if the hopes for Japan's contribution to the reduction of the level of confrontation in the Asian-Pacific region and throughout the world will be justified.

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## BOOK ON BIG BUSINESS POLICIES IN JAPAN'S DOMESTIC TRADE

Moscow FAR EASTERN AFFAIRS in English No 2, 1987 pp 117-119

[Review by N.P. Petrovichev of book "Vnutrennyaya torgovlya v sovremennoy Yaponii" [Domestic Trade in Japan Today] by I.S. Tselishchev, Moscow, Nauka, Glavnaya redaktsiya vostochnoy literatury, 1985, 160 pages]

demands, and parliament, controlled by the LDP for more than 30 years, time after time toughened the 1956 law on department stores. The law limited their number in the country, as well as the size of enterprises and the working hours. The law was revised in 1974, 1979, 1982 and 1984 and supplemented with new provisions, restricting more and more the activities of large retail trade firms.

I. Tselishchev convincingly shows in his monograph that the policy of the Japanese ruling quarters was not a concession to the shop-keepers' demands but a long-term strategy of the top echelon of the country's monopoly capital, which had established, and was actively exploiting in its interests, a system of state-monopoly regulation, including home trade. The existence of large firms is, objectively, a necessary condition for economic growth. Such enterprises help

In the 1970s and early 1980s one often could see noisy demonstrations in Tokyo's streets and squares outside department stores. Small shop-keepers demanded "protection from big trading business" and laws limiting the activities of department stores, supermarkets and other large retail trade enterprises. Paradoxically enough, the ruling Liberal Democratic Party (LDP), an advocate of big business interests, heeded the

raise labour productivity, whereas regulation by administration and law in home trade and protectionism practised in the country with regard to small business actually hold back that growth. Nevertheless, the Ministry of International Trade and Industry asks big trading business to "waive some short-term interests for the sake of preserving the existing socio-economic system" (p. 27). Analysts pointed out on many occasions that Japanese big business gave up short term benefits for the sake of a long-term strategy.

The monograph's author points out that there is a large number of small shopkeepers (more than four million) among Japan's population. To rightly assess their role in the country, one should take into account the fact that they are as a rule, politically active "leaders" of men on the streets, districts and communities, and exert considerable influence on public opinion. The ruling conservative quarters of Japan bear in mind that they can and, under certain conditions, have to count on small owners so far as the political struggle inside the country is concerned. Tselishchev analyses this aspect in detail. "The existence of a broad social 'centre', the numerous petty bourgeoisie loyal to the existing social system, is a major factor preventing political and social conflicts in Japan from acquiring high tensions characteristic of most developed capitalist countries, and giving relative stability to the Japanese ruling quarters' position. The trading petty bourgeoisie invariably is one of the ruling Liberal Democratic Party's main suppliers of votes at elections to parliament and local legislative bodies", the author writes (p. 25).

Characteristically, petty traders themselves are ruthlessly exploited, but they put up with this because of their petty-bourgeois mentality. "Seeking to preserve, whatever the cost, their 'own business', often inherited from generation to generation, they willingly agree to such social costs as an actually unlimited working day and a low income level, much lower than an average wage of a worker of a large corporation" (p. 19).

By defending and supporting petty retail traders, the Japanese government seeks to resolve a major social task, unemployment. Tselishchev shows that, due to high labour-intensiveness and various obstacles to growth in labour productivity, "the trading

sphere objectively can be a channel absorbing the 'abundant' labour discarded by other industries" (p. 3). The author draws a conclusion that in modern Japan "a certain change in objective economic laws of retail trade development is taking place due to socio-political factors" (p. 33). Objective prerequisites for growth in the share of large modern enterprises in wholesale and retail trade "is, and will be, countered by state interference, above all for social and political purposes" (p. 39).

Yet, the monograph states, home trade under these conditions remains a weak element in the national economy technologically and economically, which results in "low competitiveness of Japanese trading enterprises in the world". The state has to substantially limit the penetration of foreign capital into trade, a measure which draws sharp protests of the United States and Western European countries (p. 149). The technological and economic lag in trade increases the vulnerability of the Japanese economy as a whole to crisis developments inside and outside the country. It is not fortuitous that the United States brings so much pressure to bear on Japan, demanding liberalisation of its home trade. US state-monopoly capital has a long-term strategy of exploiting America's advantage, as regards the level of national labour productivity, in the competitive struggle. This advantage is largely accounted for by Japan's lag in the sphere of home trade, where the United States is going to clash with Japan as its competitor on world markets.

Of course, Tselishchev's book does not analyse only the socio-political aspects of Japan's home trade. Naturally, the larger part of the monograph considers purely special problems such as efficiency, scientific and technological progress in trade as well as changes in the structure of trading enterprises. The author offers an in-depth analysis of the formation process of large-scale vertical systems of wholesale, retail and industrial enterprises which are functionally interconnected. He shows the situation in one of the largest and most important sectors of the Japanese economy. This sector is of importance primarily because home trade is closely linked with the country's social problems.

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For details see *Far Eastern Affairs*, No. 1, 1986.

The book is of interest for broad sections of readers, including lecturers in international affairs, specialists in regional

geography and in various fields of social sciences.

**N. PETROVICHEV**

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## BOOK ANALYZES DEMOGRAPHIC SITUATION IN SOUTHEAST ASIA

Moscow PROBLEMY DALNEGO VOSTOKA in Russian No 1, Jan-Feb 87 (signed to press 12 Jan 87) pp 185-188

[Review by Ye.S. Bazhenova and A.P. Sudoplatov of book "Yugo-Vostochnaya Aziya: demograficheskiy analiz" [Southeast Asia: Demographic Analysis] by A.R. Vyatkin, Moscow, Nauka, Glavnaya redaktsiya vostochnoy literatury, 1984, 215 pages]

[Text] The demographic situation in today's world depends largely on the population reproduction dynamic in countries emerging from colonial dependence. The intensive shifts in population reproduction and territorial and social mobility in these regions at the present time will have a long-range effect on the dynamics of world development and will aggravate many global problems.

Intergovernmental UN conferences (in Bucharest in 1974 and in Mexico in 1984) focused the attention of the world public on complex socioeconomic aspects of demographic policy in today's world. The global plan of UN action adopted at these conferences with active participation by the Soviet Union and other socialist countries will presuppose the considerable expansion of the social spheres of demographic policy, touching upon key aspects of the development of countries emerging from colonial dependence in the areas of employment, education, public health, and the development of the social infrastructure. Programs of family planning and the regulation of natural population dynamics are now being coordinated more closely with plans for socioeconomic development. As a result of this, the scientific study of demographic problems in states emerging from colonial oppression is an important part of Marxist demography and is of serious ideological and practical value.

In this work, A.R. Vyatkin analyzes population dynamics and demographic policy in Southeast Asia, one of the most interesting and complex regions of the world from the demographic standpoint. The author's intention was to reveal the differences between the demographic development of Southeast Asia and other regions and to define features and trends common to other parts of the developing world.

The author investigates the main tendencies in Southeast Asian population dynamics from the standpoint of the theory of demographic transition--that is, the gradual replacement of the traditional type of population reproduction, distinguished by high birth and death rates, by the modern type of reproduction, in which these indicators are comparatively low.

The author's study is important because there are virtually no works in our demographic literature dealing specifically with the demographic problems of the Southeast Asian countries.

It is logical and understandable that the author analyzes the history of the region's demographic development in the first chapter. This is a difficult task in view of the many conflicting assessments of reproduction dynamics in different countries. Using the method of retrospective demographic analysis, the author reassesses the traditional beliefs about the population of Southeast Asia in the 18th and 19th centuries and arrives at more valid assessments of population dynamics in these countries during that period. A study of the main characteristics of Southeast Asian demographic development from the end of the 18th century to the beginning of World War II indicated that population growth here was the result of a lower death rate and increased immigration. At this time population density in regions with the best natural conditions and the best location from the economic and commercial standpoints reached an exceptionally high level. The migration patterns of the native population reflected the rapid development of capitalism and broke traditional social ties. There were perceptible disparities in the age and sex structure of large urban centers and areas of the extensive use of immigrant labor.

The author bases his conclusions on representative demographic statistics (pp 18-55). He reveals the evolution of the main historical stages in the establishment of the socioeconomic mechanism of population reproduction. This makes it possible to use A.R. Vyatkin's conclusions for sound estimates of population dynamics in the Southeast Asian countries in the near future (up to 2000).

The work is distinguished favorably from other such studies by a detailed analysis of census data and the data of sample surveys and other secondary population statistics.

The migration patterns of the Southeast Asian population are examined in a separate chapter. The author points out the problems connected with the disruption of the traditional migration patterns of native ethnic groups. He substantiates his conclusion that interregional migration became particularly important in the second half of the 19th century and had a significant effect on demographic processes, the socioeconomic structure, and political processes in Southeast Asia. This applies above all to the three main groups of migrants--European, Indian, and Chinese. Internal migration did not play a significant role in most of Southeast Asia in the colonial era.

The author's analysis of current migration trends warrants high praise because the reference base in this field of study is quite inadequate. He singles out the main tendencies in migration patterns after the triumph of the national liberation movement and the creation of independent states: 1) the quantitative and qualitative reduction of international migration; 2) the absolute and relative growth of intranational migration in two main directions--"rural-urban" and "rural-rural." The author also recalls the sporadic military and political migrations since the beginning of the 1940's, crossing both national and regional boundaries.

Problems of urbanization in Southeast Asia and its ecological aspects are given serious consideration in the work. The role of Southeast Asian cities as foreign trade centers was augmented considerable in the colonial period, and port cities displayed the most dramatic development. In the second half of the 19th century the large cities of the region began attracting migrants from India and China, because migration by the rural population to the cities was inhibited by the low social status of the city and the relatively balanced labor resources in rural locations. After the war, however, the ethnic composition of the urban population changed and foreigners played a much less important role in many spheres of life in the Southeast Asian countries.

Many of the ecological problems of Southeast Asian countries are closely related, as the author correctly points out, to the intensity of demographic processes. The disruption of the ecological balance can be judged from the change in population density (from 20 people per cubic kilometer in 1900 to 116 people in 2000), and ecological problems are being compounded by the uneven territorial distribution of the population, especially in some overpopulated regions--the islands of Indonesia and the Philippines and the valleys of large rivers.

The author correctly points out the difficulties encountered in the pursuit of ecological policy in this region as a result of the low industrial level and the heavy environmental pollution connected with the underdevelopment of industry in these countries and with the attempts of Southeast Asian countries to maximize economic development without considering its negative effects on the environment. Furthermore, the ecological crisis here is compounded by the frequent impossibility of surmounting these problems within the territory of a single state, giving rise to the need for a regional approach to the resolution of ecological problems with the aid of international organizations.

The final section of the work deals with demographic policy in the region. Demographic policy in the Southeast Asian countries is of a long-range nature, as the author correctly stresses. It is more closely coordinated with social programs than in other countries emerging from colonial dependence. The authors and theorists of this policy admit that overpopulation is inhibiting the resolution of employment, food, public health, and education problems. At the same time, the typically bourgeois theories of demographic policy presuppose the priority of family planning in the regulation of population reproduction as a whole. A.R. Vyatkin presents an accurate description of the strong and weak points of family planning programs.

Analyzing the current demographic situation in Southeast Asia, the author quite correctly points out the fact that many difficulties could have been avoided if the countries had pursued an active demographic policy earlier. This is corroborated, in particular, by the many articles in the Chinese press in which Chinese demographers complain that birth control should have been practiced on a broad scale since the beginning of the 1950's.

In Southeast Asia today the spheres of demographic policy are being expanded by combining family planning programs with programs in other fields of public health and social security. Although these programs are supported by

the public and by government circles, they seem limited to us. In our opinion, the author does not shed enough light on this fact.

The experience of the Southeast Asian countries in conducting demographic policy is truly unique. Several countries have been able to accomplish a lower birthrate and a mass transition to small families without any radical changes in the socioeconomic structure and way of life. The comparative effectiveness of the programs in this case, however, has not solved other acute social problems--the high rate of infant mortality, inefficient migration patterns, and the archaic features of the institution of marriage--and it does not seem possible to solve them only by stimulating family planning measures. For this reason, although the author has demonstrated the relative effectiveness of family planning measures in the region, he has not said enough, in our opinion, about another cardinal problem, namely the socioeconomic content of demographic policy measures, which goes far beyond the popularization of a certain family size or family planning.

One of the book's shortcomings, in our opinion, is the author's tendency to confine the theory of demographic transition within the boundaries of natural population trends. Here the author's conclusions regarding demographic transition do not seem completely valid to us, because the book illustrates a broad spectrum of changes in the sociodemographic structure and reproduction of the population, portrayed as a combination of natural increase and territorial and social mobility. It seems to us that one of the main unsolved problems of sociodemographic policy in the Southeast Asian countries is its unsatisfactory coordination with long-range plans and programs of socioeconomic development. Besides this, the author should have said more about the sociopolitical problems connected with the institution of demographic policy measures. After all, demographic programs often focus on some aspects of friction in the sociopolitical situation. This is precisely why the international aid to Southeast Asian countries in the implementation of demographic policy is of a social-class nature. The correlation of the intensity of natural population dynamics to territorial and social mobility is exactly what reveals cardinal changes in the demographic situation in Southeast Asia over the long range.

The book has several other shortcomings, particularly in the schematic and statistically overloaded second chapter. It would have been advisable (in spite of the "ordinary," in the author's opinion, sex and age structure for the particular level of socioeconomic development) to include a special section on the age and sex structure in the countries of the region, because the analysis of this structure is particularly important in the examination of the effects of the population explosion, particularly the aggravation of employment problems. These shortcomings, however, do not diminish the value of this work.

This book represents a huge advance in the study of the population of developing countries. It is a serious and relevant scientific study and it will be of interest to demographers and to the general reading public.

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FRENCH POLITICAL ANALYSTS ON INDOCHINESE REFUGEE PROBLEM

Moscow FAR EASTERN AFFAIRS in English No 2, 1987 pp 119-122

[Review by I.S. Galichev of book "Les refugies originaires de L'Azie du Sud-Est. Collection de rapports officiels," La Documentation Francaise, Paris, May 1984]

The Mitterand Government has essentially changed French policy as regards the states of Indochina, making it more flexible and realistic. This fact is reflected in the study carried out, on the order of the Government, by the politologists who are close to the ruling Socialist Party. They have examined the situation in Vietnam, Laos and Kampuchea, in particular, the problem of refugees from those countries, which was busily played up by the enemies of the Indochinese peoples.

Imperialist and other hostile propaganda organised a dirty slander campaign against the governments of Vietnam, Laos and Kampuchea in connection with the refugee issue. These governments were accused of "Communist tyranny" and the desire to get rid of the Chinese national minority, the urge to "export" their economic difficulties to neighbouring countries, and even of attempts to benefit materially from the sufferings of the people.

The French researchers utterly disagree with these accusations. Their conclusion is simple: it is the consequences of war that serve as the main reason for the mass flight from Vietnam and Laos, a war, it should be remembered, that was imposed on these peoples by US imperialism, which is

now seeking to pose as an accuser. The authors stress: "The economic difficulties are the most fundamental factor of the refugees' flight from Vietnam" (p. 17). In South Vietnam the Americans destroyed 9,000 communities out of 15,000. Ten million hectares of lands suffered from defoliants [all in all, 43 per cent of cultivated land in South Vietnam was destroyed during the war—*J. G.*], and 15 million tons of bombs were dropped on the country. Owing to refugees and other people banished from their villages, the urban population of the South, which accounted for 20 per cent in 1960, increased to 43 per cent by 1973, and if the suburban "refugee centres" are added, the figure rises to 65 per cent of the entire population (pp. 14-15).

As for Laos, the authors are quite right when they say: "We are absolutely convinced that it is impossible to understand the refugee problem without taking into account the situation in which the country found itself after 1975—the greater part of Laos was destroyed by American bombings, the economic infrastructure was practically non-existent, the rice paddies were abandoned, the herds of cattle had to be restored literally from scratch, the population was dispersed. Many people within the age bracket of 20-30 years were killed, and the unity of all Lao people only began to be attained" (p. 214).

An analysis of the social and professional affiliation of the people who left Vietnam, for example, demonstrates that those who fled from the country were, for the most part, those who failed to accept the new structure of society and were unwilling to adapt themselves to the new conditions. They included the former military, the déclassé elements, the unemployed who refused to go to the new economic regions, and old-fashioned intellectuals (their share among the refugees was much greater than in the South Vietnamese society as a whole). A reservation should be made that many "refugees" passed themselves off as doctors, engineers, agronomists, technicians

and so on because the "recipient countries" primarily took specialists and skilled workers. In other words, voicing empty verbiage about humanism and "lamenting" over the miseries of the South Vietnamese population, they were vigorously engaged in "brain-drain" (p. 23).

Western propaganda has played a crucial part in the flight of the people from Vietnam. "Any information on greater aid to the refugees was regarded... as an additional stimulus to leave the country" (p. 39), "the international community [the forces hostile to the peoples of Indochina are meant here—*J. G.*] bent every effort to encourage the sailing of the frail boats with refugees," the authors of the study emphasised (p. 43).

As is known, the *huqiao* accounted for a considerable number of those who left the states of Indochina. The authors point out that the reason for the flight of the *huqiao* from South Vietnam was the socio-economic transformations in trade and industry aimed at placing private business under government control (the *huqiao* had 80 per cent of trade and banking in their hands).

It should be pointed out that the authors of the study also resort to banal assertions, claiming that attempts to "wrench themselves from Communist totalitarianism", "police shadowing", "obtain freedom", and so on were also important reasons for the refugees' flight from Vietnam and Laos. The evidence given by the emigres, which they cite, sound rather unconvincing. Indeed, such arguments cannot explain the simple fact that many more people from the Pol Pot "Democratic Kampuchea" fled to Vietnam (at least 150,000 people, and, according to some other data, the figure is much greater) than to Thailand—the "oasis of freedom and democracy" (only 45,000 people).

Western press pointed to the "Vietnamese presence" as one of the reasons for emigration from Laos. However, the compilers of the report had to state that "the Vietnamese sought to deploy their units in such a way so as to come in contact with the local population as rarely as possible. Many of the polled refugees (the data here are rather representative) testify that they had never seen the Vietnamese whatsoever" (p. 199).

The book, which on the whole, is marked by a calm and sensible approach and a desire to give a realistic assessment of the situation, includes a report about the Meo

(Khmongs) who fled to Thailand and this report is far from being objective.

Despite the well-known facts, it claims that the Khmong mountaineers always lived without interfering in politics or war, and their only concern was to grow enough food for their families and a good amount of opium as medicine for rheumatism, and also to use it in exchange for certain necessities (p. 236). It is common knowledge, however, that the French colonial administration and later the Lao right-wingers used the corrupted tribal upper crust of the Meo to form groups of "commandos" which searched for and destroyed Pathet-Lao detachments. Later on, the Meo "special troops", which were created and fully financed by the CIA, became a strike force used in the struggle against the Lao patriots.

Of considerable interest are the reports on the refugees from Kampuchea, which have an urgent political connotation. The authors emphasise that the character of the flight of people from the Pol Pot "Democratic Kampuchea" even during the first years after its collapse, differs radically from the emigration from the SRV and the Lao People's Democratic Republic. They distinguish three stages in the flight from the Pol Pot men: the first days (mainly, Chinese merchants), the first two weeks ("ideological reasons"), and then "all layers of society without exception": "ideological and other reasons disappear. Everything stems from the horror and from an attempt to save their lives" (pp. 65, 126).

The Pol Pot genocide (more people were murdered than perished from hunger and disease) made flight the only alternative to death inside the country—either slow dying, or tortures and executions at the hands of Pol Pot cutthroats. The authors ascribed the fact that only a minority of the population tried to flee not so much to the control of roads, carried out by the Pol Pot men, but to the fact that the Khmers waited to the very last moment when they had neither opportunity nor stamina to flee. The paralysing horror in face of the Pol Pot regime also played its role. This regime treated the population "in a way which practically had no analogues in the history of mankind" (p. 109).

Apart from the long distance, there were many other difficulties for those who fled, including dystrophy, a shortage of food and medicines, particularly against malaria,

repressions on the part of the "Khmer rouge" which patrolled the terrain. From 1977 on, the Pol Pot men contaminated the springs of drinking water, mined and patrolled the border, and set traps with pointed bamboo sticks. There were gangs of Thai robbers along the border and moreover, the Thai border-guards often shot those who tried to cross (pp. 67, 127).

In Vietnam the refugees from "Democratic Kampuchea" were given a different reception. In July-August 1975, large groups of Khmers who had crossed the border were placed in special camps, including a big temple complex near Hochiminh City. The refugees could find means of subsistence outside these camps as well, for which purpose they were given corresponding identification cards (p. 129).

The authors admit that Khmers could freely cross the Vietnamese border even after January 7, 1979. Many of them did so in order to search out their relatives or simply to wait until the food situation in Kampuchea improved. They were allowed to live not only in the camps (as was believed before) but also with the families of those Khmers or Vietnamese who agreed to receive them. Beginning in December 21, 1979, the Vietnamese authorities began encouraging the refugees to return to Kampuchea, stressing that from then on those who wanted to stay in the SRV would have to live in special camps (p. 86).

After the troops of the liberation forces entered Phnom Penh, Mari Martin wrote in her report, it could be expected that the influx of refugees would come to a halt and moreover, that the refugees would return from Thailand to Kampuchea. However, the complete opposite occurred. The number of refugees increased considerably (p. 69). This gave a pretext for numerous insinuations to the effect that the Vietnamese troops were driving the population off the land, were confiscating food, thus giving rise to hunger, and were seeking to depopulate Kampuchea and inhabit it with its "surplus population". The French researchers, who had polled thousands of Khmers concerning the motives behind their flights, stated with full confidence: "During, at least, that whole year—from January to December 1979—the consequences of the Pol Pot rule, which simply worked with some delay (and this is true of at least eighty per cent of cases) were the main reason for flight. Those who had

wanted to emigrate for four years but could not, now ran away. But even after 1980, the motives of those who fled were directly linked with the Pol Pot regime; primarily this was the fear that the Pol Pot men might return" (p. 136). Mari Martin asks: "Can peasants grow rice in peace and not fear for their crops? Will they not be afraid of repressions staged by the Khmer rouge, like those they had already seen in 1979, and later? Experience shows that they would prefer to flee from the country. The population condemns that regime from which it has suffered so much and which they do not want to see in power in Phnom Penh. The presence of the Vietnamese troops is the only political alternative to it" (p. 99).

It was the famine which struck Kampuchea that served as the principal reason for the masses of refugees who appeared at the borders of Thailand and Vietnam. Although in 1979 it was supposed that there would be sufficient amounts of rice in the country to last until the new crop, there was no more rice already in March (p. 156). The fact is that before their retreat the Pol Pot men set on fire the stores of rice near Phnom Penh, Battambang and other places. They buried rice, threw it into ponds, they exploded dikes, destroyed the canals and the small number of pumps and water-hoisting installations.

The "fear of the Vietnamese occupation" is also mentioned among the other reasons for the flight of Khmers (p. 136). There was a conviction that the Vietnamese, whom the Pol Pot propaganda described as "traditional enemies", would be as cruel as the "Khmer rouge" (p. 128). Many people were afraid that the Vietnamese units would act as the "Khmer rouge" had (a brief period of "freedom" which would be followed by a census, and then repressions and executions). Among other things, this explains why many intellectuals, servicemen of the Lon Nol regime and others, for a year or more, did not report who they were, posing as peasants.

In this connection, one of the authors notes that in 1979 people ran away from Pol Pot, after 1980 they escaped Pol Pot, hunger and the "Vietnamese"; but in 1979, 700,000 people fled, while in 1980, the corresponding figure was 60,000. The prognosis of the US Embassy in Bangkok, that in February 1980 alone a million refugees would arrive in Thailand, did not come to pass. "Nevertheless this prognosis was

used to discredit the Phnom Penh regime and to voice propaganda assertions that Vietnam was striving to move even further up to Malaysia" (p. 152).

Quite a few *huagiao* left the country because they were not permitted to get involved in "commerce" (p. 73.) Among those who left the country were many intellectuals. The authors of the book voice the thought, though without much emphasis, that they could not find a common language with the new authorities. However, those authors who are more frank write that these intellectuals "had nothing against the order, but just wanted to leave the place where they had undergone so much suffering" (p. 76), and "they had been tortured by the four years of sufferings to such an extent that today they prefer to go abroad for several years" (p. 99).

The French authors write that after 1980

a relatively small number of refugees from Kampuchea left their country, chiefly in search of a more well-off life and also due to personal conflicts with the authorities (p. 128). Thus, the authors actually admit that most emigres from Kampuchea were those who failed to find their place in the new society, and those who were not prepared or were unable to adapt themselves to the difficult time of national rebirth.

At present the problem of "refugees" from the Indochinese countries is losing its edge, primarily because the most difficult time for these states is a thing of the past, and also due to the constructive stand of Vietnam, Laos and Kampuchea, which is marked by goodwill. This is acknowledged by the authors of the book under review, in the final analysis.

## **RESOLUTION OF CHINESE CP 6TH PLENUM PUBLISHED**

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**G**uided by the strategic course of the 12th All-China Congress of the CPC towards the allround development of socialist intellectual culture side by side with the construction of material culture, and heeding the spirit of decisions of the 1985 All-China Party Conference and the demands of the current global reform, the 6th Plenum of the CC CPC of the 12th convocation examined and discussed achievements in the development of intellectual culture in recent years and problems that face us in this context. The Plenum believes that continued wide explanation of the policy course in the development of socialist intellectual culture and intensified efforts in this sphere are of the greatest immediate and long-term importance for the successful development of socialist modernisation.

### **1. THE STRATEGIC ROLE OF THE DEVELOPMENT OF SOCIALIST SPIRITUAL CULTURE**

**O**ur socialist modernisation has the following general scheme: having chosen economic construction as the primary link, we must firmly and resolutely carry out a reform of the economic system, a reform of the political structure, and intensify the development of intellectual culture, ensuring mutual coordination and stimulation of all these aspects. It is from this standpoint that our party comrades should correctly assess the strategic role of the construction of socialist intellectual culture.

Guided by Marxism, socialist intellectual culture is an essential element of socialist society. Under socialism, material culture creates material conditions and provides practical experience for the development of intellectual culture. In its turn, the latter provides spiritual impetus and intellectual support to the development of material culture and serves as a reliable ideological guarantee for its correct development. Construction of socialist intellectual culture is of the utmost importance, for it determines the future of socialism.

Substantial shifts have occurred in the construction of socialist intellectual culture since the 3rd CC Plenum of the 11th convocation, with the remedying of mistakes and rehabilitation of that which was correct, with the unfolding of a general reform and the development of material culture. Having liberated its consciousness and preserved the philosophy of a realistic approach, having developed the scientific spirit and creative potential of Marxism, our party broke through the barrier of ossified attitudes and elevated the understanding of socialism to a new level. A situation of stability and cohesion has been established in the country, democracy and legality are gradually being perfected, and broad sections of cadre workers and of the popular masses have become noticeably more active. Mass measures for the development of intellectual culture are carried out on a wide scale, and multifaceted fresh experience has been accumulated. Respect for knowledge and educated people is becoming a norm of life, improvements are becoming increasingly obvious in education, science and culture. The Party's best traditions are developing, the style of Party work and the general atmosphere in society are being improved. This is

the main thing. On the other hand, we should bear in mind that in many respects the construction of intellectual culture has yet failed to live up to the demands of socialist modernisation, our reforms and the need to extend external ties; the importance of cultural development is underestimated, the question of the course in practical activities is still unclear, and serious negative phenomena whose elimination will require great efforts can still be observed in the Party and society. Only an overall assessment of the state of cultural development, a full awareness of the urgency of intensifying the construction of intellectual culture and of the need for long-term efforts will enable us to elevate this work firmly and resolutely to an adequate level. Otherwise, our whole cause will suffer.

The implementation of reforms means improvement and development of the socialist system. Its impact in all spheres is a graphic illustration of tremendous changes that have occurred in the life of our country in recent years. Sweeping reforms and more extensive external ties infuse the cause of socialism with great vitality and provide powerful impetus to the construction of intellectual culture. As the socialist commodity economy develops and socialist democracy improves, profound changes occur in the minds and attitudes of the people, and new, higher demands are placed on the intellectual and cultural development. Shall we be able to comply with these demands and guide public opinion in favour of socialist modernisation and global reform; shall we be able to introduce the necessary systems of values, cultural conditions and social environment? Shall we be able to resist effectively the pernicious bourgeois and feudal ideology, to stick to the right course? Shall we be able to infuse the peoples of our country with tremendous enthusiasm and creative initiative so that with the efforts of several generations we can build a modern socialist power? Solution of these questions is a serious historical challenge. We believe that, given the correct leadership by the Party, the guiding role of Marxism, the main attributes of a socialist economy and basic socialist economic principles, given the existence of popular democratic power and socialist legality, particularly the resolute support of the broad popular masses for socialist construction and reforms, we are certain to achieve our objective—socialist modernisation—if the accelerated construction of material culture is paralleled by intensified development of socialist intellectual culture.

In a word, because of its strategic role, the construction of socialist intellectual culture should promote socialist modernisation, all-round reforms and the extension of external ties, and unswervingly abide by the four main principles. Such is the fundamental policy course in the development of socialist intellectual culture.

## 2. KEY TASKS OF THE DEVELOPMENT OF SOCIALIST SPIRITUAL CULTURE

The key tasks of the development of socialist intellectual culture are to educate our people as purposeful, cultured and disciplined socialist citizens with high moral standards, to improve their consciousness and ethical qualities, and to raise the scientific and cultural level of the entire Chinese nation in accordance with the demands of socialist modernisation.

While being a product of history, the qualitative state of people has, at the same time, a powerful effect on the course of history. Under socialism, the overall improvement of the moral qualities of all citizens will inevitably result in higher productivity of labour and the continuous development of new human relations based on social property, and in a profoundly changed image of the entire society. This is a necessary condition of the successful modernisation of our country.

The development of intellectual culture, which embraces not only ideology and ethics but education, science and culture as well, permeates all

spheres of the construction of material culture and manifests itself in all aspects of economic, political, cultural and social life. That is why the responsibility for intensifying the development of intellectual culture is borne not only by ideological and cultural and educational organs but also by all departments on all fronts of construction; it is the common and long-term task of the entire party, the entire army, all workers and peasants, intellectuals and other working people and patriots of our multinational country.

Once socialist transformations had been in the main carried out in our country, the Party for many years was committing a grave mistake by not shifting the emphasis onto economic development, by continuing to insist on the priority of class struggle, ignoring the development of education, science and culture and excessively overestimating the importance of class struggle in ideology, all of which eventually resulted in the troubled period of the "cultural revolution". Having assessed its historical experience, our Party has clearly stated that the main contradiction of our society at the present stage is the contradiction between the people's growing material and cultural requirements, on the one hand, and underdeveloped social production, on the other; that although class struggle will continue within certain limits for a long time, it is no longer the main contradiction; and that most contradictions in our society do not belong to the category of class struggle. In intensifying the development of intellectual culture, we should remember well the lessons of history and resolve the many and varied contradictions of socialist society correctly; ideological questions should invariably be resolved by such means as discussion and argumentation, criticism and self-criticism. In other words, education and persuasion should be resorted to. In all cases, the emphasis should be on construction, and attention should be focused on ensuring the cohesion of the people, allowing full expression of its socialist vigour and creative initiative, meeting its cultural and spiritual demands, on strengthening ideology and ethics, improving education, science and culture, and, in the final analysis, on stimulating by all available means the development of social productive forces.

The recent history of the world and China shows that no state or nation can develop without adopting the advancements in foreign science and culture. Separation from the rest of the world can only lead to stagnation and backwardness. We resolutely reject bourgeois ideology and the capitalist system that mean exploitation and oppression, we reject all that is pernicious and rotten in capitalism. On the other hand, we should be firmly resolved and make enormous efforts to master advanced science and technology, universally applicable experience of management and administration, everything that is useful in the culture of foreign countries, including developed capitalist states; besides, we should test and develop all this in practical work. To act otherwise would be wrong, for modernisation would then be impossible. Expansion of relations with foreign countries is one of the invariable basic political principles of our country which contributes to the creation of both material and spiritual culture.

China is a great nation with a history and culture that go back many thousands of years, a nation which for centuries took the lead in the history of early civilisation. It lagged behind in modern history because of the putrid feudal system and imperialism's aggression. China's history was dramatically changed by the Revolution of 1911, the May 4th Movement and the Great People's Revolution guided by the CPC. The creation of the new China was followed by the revival of the great Chinese civilisation on the basis of socialism. After the portentous 3rd Plenum of the CC CPC of the 11th convocation our country entered a new period of historical development which infused its revival with enormous vitality and force. This process of revival will result not only in a highly deve-

loped material culture, but in a highly developed intellectual culture, which, guided by Marxism and critically selecting historical traditions, will fully embody the spirit of the epoch, will be firmly embedded in its own soil and, at the same time, be open to the whole world.

### 3. TO CEMENT AND EDIFY THE MULTINATIONAL PEOPLE WITH COMMON IDEALS

**A**t the present stage, our multinational people's ideal is the construction of socialism with a specific Chinese character and the transformation of our country into a modern socialist state of highly developed culture and democracy. In terms of economic development, by the end of the century our country will be in the "middle income" brackets, and by the middle of the next century it will approach the level of developed countries. This common ideal expresses the concentrated interests and aspirations of workers, peasants, intellectuals and other working people, patriots of our country. This is our powerful instrument for achieving political, moral and spiritual cohesion and unity of the people, for overcoming any difficulties and gaining victory. In the name of this common ideal it is necessary to respect, protect and develop all positive attitudes and aspirations which promote the four modernisations, the revival of the Chinese nation and the unification of our motherland, contribute to national unity, social progress and happiness of the people, and are aimed at creating a better life with one's own honest work. In this way, by rallying together all forces which can be mobilised for the construction of socialism, it will be possible to eliminate effectively the hidebound attitudes that for a long time did enormous harm to the cause of cohesion; to band together all Communists and non-Communists, Marxists and non-Marxists, believers and non-believers, compatriots both within and outside the country, so that all working people and patriots actively join in the struggle for the achievement of common ideals.

Our Party's highest ideal is the creation of communist society, which applies the principle "from each according to his ability, to each according to his needs". This ideal has been and remains a source of strength and inner moral support for our Communists and progressives. And construction of socialism with specific Chinese character is a necessary stage in the attainment of our ultimate ideal. For us, Communists, the struggle for the construction of socialism with specific Chinese character is the struggle for the Party's supreme ideals; those who do not show dedication and enthusiasm in the current real struggle, reject, wittingly or unwittingly, the Party's supreme ideal and cannot be considered conscious fighters for communism. That is why Communists, members of the YCL and progressive elements must, together with the broad masses of workers, peasants and intellectuals, link the common ideals with the objectives of development and construction in every sector, district and work collective, link one's expectations with responsibilities at each workplace. They must be fully resolved to carry out the construction and transformations, to struggle persistently and selflessly, to build the state diligently and solicitously, to engage in creative endeavour in a reliable and businesslike manner. In our time, credit and respect are due to those who persistently and unwaveringly overcome any difficulties, make an outstanding contribution to and serve as a remarkable example in the building and defence of our Motherland.

The greater our success in achieving socialist modernisation, the firmer the belief of the broad popular masses in the attainment of our common ideals. Our real achievements in matters of construction and transformation, as well as the experience of the masses should be skilfully used for education in the spirit of our ideals. At the same time, by using many and varied forms we should help cadre workers and the broad masses, espe-

cially our youth, to absorb step by step the Marxist world outlook and laws of social development, to know the remarkable history and revolutionary traditions of our nation, the heavy losses borne by it during the last hundred years, and its heroic struggle against imperialism and feudalism. We should help them understand the progress and contradictions of today's world and mankind's prospects, and thus enhance the sense of national dignity and pride, the faith in the strength of their nation, and provide a solid scientific foundation for our ideals.

Our patriotism is closely linked to internationalism. The development and progress of China is an integral component of world development and progress. In contacts with the peoples of other countries, the Chinese people invariably apply the principles of peace and friendship, equality and mutual benefit, mutual assistance and learning from those peoples' experience. Victory of socialist modernisation in China will be a contribution to the struggle against hegemonism, to the defence of peace the world over, to the progress of mankind.

#### 4. TO ASSERT AND DEVELOP THE NORMS OF SOCIALIST MORALITY

The main principles of socialist morality are love for one's motherland, for one's people, for work, love for science and socialism. It is essential that this love manifest itself in all spheres of social life, that the new type of socialist relations, relations of equality, cohesion, friendship and mutual assistance, assert themselves and develop between all the nationalities of the country, between workers, peasants and intellectuals, between the army and the population, between cadre workers and the masses, within the family and among neighbours, in all relationships among the people.

Morality is a reflection of the economic basis, and not an abstract notion divorced from the process of historical development. Being at the initial stage of socialism, our country needs not only to apply the principle of distribution according to the amount of work done and to develop socialist commodity economy and competition, but also, for a rather long historical period, to develop a multi-structural economy dominated by public property, to encourage an accession to prosperity first for a part of the people in order to attain universal prosperity. In these historical conditions, the moral edification work carried out throughout the country recognises rational distinctions in the sphere of distribution, encourages a socialist spirit of team-work in the popular masses which combines the interests of the state, the work collective and the individual, respect for common interests, integrity, honesty and commitment, the spirit of mutual assistance and friendship, and help to the poor. Socialist morality rejects self-interest, parasitism, the money-above-all attitude, abuse of power, fraud, extortion, and all other similar attitudes and practices. It does not reject the principle of distribution according to work, and commodity economy, that is why wage-levelling is not a norm of our social morality. At the same time, it should be pointed out that socialism is historical advancement towards the highest stage of society—communism. In the name of the interests and happiness of our people, in the name of the ideals of communism, the progressive members of our society march ahead of our time, courageously blaze the trail to the future, selflessly fight for public interests, give their energy to the common cause, even their lives if necessary. This lofty communist morality should be readily encouraged within society. Communists, primarily the leading cadres, should always set an example for others to follow. In one word, moral edification should apply a realistic approach, encouraging the progressives and taking into account the opinion of the majority. That is the only way of banding together and leading people of different levels of consciousness, of forging

a mighty spiritual force capable of uniting the billion-strong nation.

Our society should pay special attention to fostering professional ethics in all spheres of activity. Above all, Party and government officials should be just, honest, loyal and active; they should selflessly serve the people, combat red tape, window-dressing and abuse of office for material gain. The fostering of professional ethics should be particularly intensified at enterprises and organisations which provide everyday services to the population and thereby come into immediate contact with the broad popular masses. We should oppose and eradicate prejudices associated with the specific character of their work. Every member of our society is served and serves others. Care for people, social stability and harmonious human relations are directly related to the attitude towards customers and quality of service at each workplace.

The spirit of socialist humanism, respect and care for man should be encouraged in every way possible in our social life. Special attention should be paid to the protection of children, respect for women and the elderly, as well as for families of dead heroes and famed servicemen, invalids of war, to the care of orphans, childless widows and widowers, the handicapped. We should observe public order, be well-mannered and courteous. A thrifty attitude toward public property, protection of the environment and natural resources, and conscientious fulfilment of one's duty to the state and society should be encouraged. We should courageously oppose any encroachments on state security and public order.

Active work should be conducted in our towns and villages to change outdated customs and mores, to encourage a healthy scientifically recommended life style, to eradicate vestiges of ignorance and backwardness in customs and mores, to do away with all that is barbarous and abnormal in marriage and funeral rites, to put an end to feudal-times superstitions and prejudices. This work should be carried out by the masses themselves, on a voluntary basis, with respect for healthy popular customs and mores. It should be initiated by Communists and members of the YCL.

Socialist ethics as a new stage of civilised man's moral development should, of course, critically select the best moral traditions in the history of mankind and combat various pernicious attitudes and morals. The norms of feudal morality struck deep roots in our country. Vestiges of the patriarchal system, privileges, arbitrariness and clan interests psychology, respect for men and contempt of women, all of which still exist in our social relations, are basically a reflection of the evil legacy of feudalism. The slavish ideology resulting from semi-colonial social and historical conditions and the corrupt ideology of capitalism have also sprouted deep roots in our country, often intertwining with pernicious feudal ideology. Thus it can be seen that long and hard work lies ahead to overcome the harmful influence of rotten ideologies and morals in all spheres of our social life.

### **3. TO INTENSIFY EDUCATION IN THE SPIRIT OF SOCIALIST DEMOCRACY, LEGALITY AND DISCIPLINE**

A highly developed democracy is one of the great aims of socialism and also a very important embodiment of socialist culture in the life of a state and society. The emergence of the ideas of democracy and freedom, equality and brotherhood in the struggle of the rising bourgeoisie and the working people against the feudal despotic regime was a great act of spiritual emancipation in the history of mankind. Although Marxism has critically absorbed these ideas of the bourgeoisie, its understanding of them is radically different. Having eliminated class oppression and exploitation, socialism opened the way for the people to become full masters of their country, and democracy was elevated to a new historical

level. The main historical lesson in the development of socialism in our country consists in the fact that, firstly, not all forces were concentrated on economic development, and, secondly, no effective efforts were made to ensure a democratic political life. Since the 3rd Plenum of the CC CPC of the 11th convocation our Party has invariably stressed that there can be no socialist modernisation without the development of democracy, that democracy should become a system and law, that the party should act within the framework of the constitution and law, that the political life of the party and the state, economic management and the entire social life should be effectively democratised. Placing the emphasis on the reform of the political structure, the Central Committee has insisted on restructuring and improving the system of Party and state administration, further developing socialist democracy and strengthening socialist legality by asserting Party leadership and people's democratic dictatorship. This is an extremely complicated task which the Central Committee will consistently work to solve under appropriate guidance, on the basis of thorough studies and elaborated measures.

Democracy, legality and discipline are inseparable. Socialist legality expresses the will of the people, guarantees its lawful rights and interests, governs relations among people, normalises and regulates their behaviour, punishes for various illegal acts detrimental to society. Legality which excludes socialist democracy is by no means socialist legality; democracy which excludes socialist legality is by no means socialist democracy. Only the overall strengthening of socialist legality based on the constitution, the strengthening of labour discipline, the incessant struggle against various cases of encroachment and undermining of democracy in real life can stimulate and guarantee successful economic development and comprehensive reforms, the preservation of stability and order in the country. Bourgeois liberalisation which, in fact, negates the socialist system and upholds capitalism is profoundly contrary to the interests of the people and the course of history, and the broad masses resolutely reject it.

Education of the people is the cardinal question behind the intensified development of socialist democracy. Starting with elementary school, the people should be educated as purposeful, responsible, well-mannered and polite citizens brought up in the spirit of democracy, legality and discipline. Basic legal education should be popularised, the civic consciousness of the masses should be enhanced so that they understand the main rights and duties of a citizen, know laws and norms of behaviour that directly relate to their work and life, and acquire strong habits of discipline and observing the law. All citizens must comply with the constitution, and Party members must also observe the Party Rules. Equality of all before the law, and resolute prevention of the appearance of such persons who stand above discipline and the law are an immutable principle of our country's political and social life.

The people's democratic dictatorship is a mighty weapon defending the interests of the people and the cause of the four modernisations. The law requires that we fight all hostile elements that undermine the socialist system, punish economic and other criminals, ban and eradicate prostitution, drug addiction, gambling, distribution of pornographic video recordings and literature, and other unlawful, criminal acts detrimental to the population.

#### **6. TO RAISE THE LEVEL AND ACCESSIBILITY OF EDUCATION, SCIENCE AND CULTURE**

**E**ducation, science and culture are an important element in creating material culture and raising the level of ideological consciousness and morality of the masses. In today's world, science is increasingly becoming

a revolutionary force contributing to the progress of history, an important indicator of a nation's cultural level. The role of science in modernisation should be better appreciated, respect for science and a thirst for knowledge should be encouraged; the spread and development of education, science and culture among the country's multinational population should be organised in a practical manner.

Every sphere of social life: education, science and literature, arts and journalism, publishing and broadcasting, television and cinematography, libraries and museums, protection of cultural monuments, health care, physical education and sports has its part to play. Major advances should be achieved in all of these spheres, taking into account our country's specific features: its vast territory, the uneven development of economy and culture. Special attention should be paid to such strategic components of socialist modernisation as education and science, for their slow progress will hold back the development of intellectual culture, and furthermore, our economic development will be deprived of its driving force. The state should ensure their progress by adopting appropriate political measures and providing financial means, and by mobilising the entire society. All regions should draw up concrete plans for the development of culture and ensure the attainment of cultural development objectives as well as the objectives of economic development.

The socialist character of culture in our country makes social impact its supreme criterion. The quality of cultural output should be enhanced in every possible way in order to meet the many and varied demands of the masses, restructure the system of administration in cultural affairs, improve economic management, and contribute to the rapid development of culture.

Workers of education, science and culture have an honourable and challenging mission in the development of intellectual culture. They must recognise the demands of the people and of the times; they must constantly improve their own ideological knowledge, their moral and professional qualities. Administrative bodies at all levels should use every available channel to stimulate and organise intellectuals so that they relate their activities with the rich practice of the masses in the building of a new life. We should ensure their broad participation in consultative service and in the working out of cardinal solutions concerning the development and reforms in different spheres. Favourable conditions should be created for exemplary work and for those persons who make a substantial contribution. Outstanding workers and the best results of cultural output should be encouraged with material and moral incentives; among other things, several categories of honorary awards should be established for works that affect the nation's scientific and cultural levels. The fostering, in all spheres of practical work, of respect for knowledge, specialists, and educated people is still a serious problem awaiting solution. The upgrading of the intellectuals' status, as well as their maximum possible self-realisation, the banding together and common struggle of workers, peasants and intellectuals are a reliable guarantee of the ultimate success of modernisation.

#### 7. THE GUIDING ROLE OF MARXISM IN THE DEVELOPMENT OF SPIRITUAL CULTURE

To be firmly guided by Marxism-Leninism, the thought of Mao Zedong is a conditio sine qua non of socialist modernisation in our country and the development of socialist intellectual culture. Being a scientific world outlook of the working class and a great attainment of mankind's intellectual culture, Marxism is the theoretical foundation of socialism and

**party leadership, a major component of socialist ideology, and an enormously important guide in the overall development of intellectual culture. Neither the formation of our ideals and aspirations, nor moral and cultural edification, nor the assertion of democratic ideas and legality are possible without Marxism, without mastering of Marxist theory.**

**Marxism is a science which is constantly enriched and developed through the advance of history and progress of science; it is not the truth in its ultimate form, but rather a way to comprehend truth through practice. The tremendous changes that have occurred and continue to occur in China and the world confirm Marxism's enormous vitality and, at the same time, demand an imaginative approach to new problems in the light of the main principles and methods of Marxism. As for theoretical development of Marxism in the new period, our task is to study the new circumstances, the new experience and problems of socialist modernisation and global reforms that affect economies, politics, culture, and social life, etc., and to distinguish the laws of building socialism with a specific Chinese character. At the same time, we should study new developments in the world, study the different ideological trends of our times, critically borrow and generalise the latest advances in different branches of science. Marxism can march abreast with life and guide the latter's development only if we base our actions on reality, regard practice as the only criterion of truth, courageously reject the judgements and conclusions that run counter to practice and do not correspond to changes in the circumstances, rather than apply ossified concepts to realities of life. This is the way to assert and develop Marxism, which is a single process of revolutionary practice and construction. Marxism cannot be asserted if divorced from practice, development and creativity. Those who perceive Marxism as an ossified dogma are wrong; those who reject the main principles of Marxism, declare it "obsolete" and bow to bourgeois philosophies and social teachings are also wrong.**

Socialism's daily practice, modernisation and sweeping reforms are a new and extremely complex phenomenon. There is not and cannot be a magical formula. We constantly come across different opinions in regard to theoretical questions. We should invariably implement a slogan, "Let a hundred flowers blossom and a hundred schools of thought contend", support and encourage daring research and free debates based on scientific findings in order to infuse unprecedented vitality into theoretical Marxist research and provide a more democratic and scientifically substantiated foundation for our cardinal decisions. Our policies and plans should be guided by the principle of democratic centralism. The constitutional freedom of research, literary and artistic creativity, debate, criticism and counter-criticism should be ensured in matters of science and arts. Here our task is to apply correctly the guiding force of Marxism to research and literary and artistic activities, to create a quiet atmosphere of cohesion, democracy and harmony needed for the development of science and culture, in order that our science and culture can better serve our people and socialism.

Party cadres, particularly officials and ideologists, should be the first to study Marxism thoroughly. Unless Marxism is studied seriously, a debate on whether it is obsolete or should be further developed is pointless. We should also actively encourage the study of Marxism by the masses, especially our youth. A mastery of the main principles of Marxism should be imperatively linked with the promulgation of the Party's course and objectives, current policy and revolutionary traditions, the acquisition of a knowledge of history, culture and science, and with the ideological status of the masses. We should put an end to the contemptuous attitude toward the study of Marxist theory and such shortcomings as abstraction from reality and stereotypes.

## B. THE DUTY OF PARTY ORGANISATIONS AND PARTY MEMBERS IN THE DEVELOPMENT OF INTELLECTUAL CULTURE

The working class is the leading class in our country. Being the vanguard of the working class, the Communist Party of China is the central force which guides our socialist modernisation. As regards the development of intellectual culture, our Party members and party organisations at all levels are obliged, firstly, to raise their own cultural standards and to make a special effort to improve the style of the Party's work; and secondly, by their personal example and conscientious work to organise and stimulate the development of intellectual culture in society as a whole.

The Party's existence depends on its style of work. The party stands at the helm of state power in our country; whether Party cadres selflessly serve the people or behave as landlords, use their office for material gain, and act arbitrarily is a matter of vital importance. Thanks to remedying past mistakes and rehabilitating that which was correct, thanks to the streamlining of the Party ranks, we have made noticeable progress since the 3rd Plenum of the CC CPC of the 11th convocation in restoring and developing the Party's remarkable style, characterised by the unity of theory and practice, a close relationship with the masses, and an ability for self-criticism. But it should be noted that the struggle against negative trends will be long; it has to be waged resolutely and unswervingly for the whole period of reforms, extension of external ties and modernisation. Ideological education is vital for the assertion of a healthy Party style, but a definite system and order are no less essential. Energetic efforts are needed to restructure and improve the Party's organisational system and methods of work; it is necessary to observe strict Party discipline, to establish and improve intra-Party inspectorate and people's inspectorate so that the activities of all high-level cadres can be effectively monitored.

Communists, primarily administrators, must serve as an example to the masses in everything: persistent work, conscientious study, a practical manner free from empty talk, resolute carrying out of reforms and daring initiatives, defence of the interests of the masses and guidance of the masses in the attainment of prosperity through honest work, observance of law and discipline, and the struggle against vicious tendencies, offences and crime; in one word, they must set an example in the construction of material and intellectual culture. Party organisations should regularly discuss whether their Communists are playing an exemplary role; carry out checks within their ranks, encourage those who set a good example and spur on those who lag behind.

Tireless building of material and intellectual culture in accordance with the new situation is the new task facing the entire Party. Party organs at all levels, from central to grass-roots, are obliged to spend more time and effort on strengthening the guidance of the development of intellectual culture. We must try to distinguish laws, study and check up political objectives, organise and coordinate different forces, conduct our work in a thorough and practical manner, and avoid formalism.

Ideological and political work is an effective guarantee of success in economy and other activities. To meet the demands of the times, it is necessary to find new methods of ideological and political work. All cadre workers, irrespective of their field of activity, should work with the masses. Decision-makers should always be in the midst of workers, peasants and intellectuals, seek advice from the masses in solving ideological and practical problems that concern everybody. A compact and efficient body of ideological and political workers should be created, they should be shown concern of and helped in their work, encouraged to improve constantly their ideological and professional knowledge so that through fruit-

ful work and solicitude to the masses they can gain the latter's trust and fully reveal the tremendous role of ideological and political work.

The present Resolution emphasises the continued explanation of the policy course in the development of intellectual culture in light of new circumstances. Party organisations of all departments, enterprises, institutions and localities should adapt the policy course of the Party's Central Committee to the obtaining situation, and work out concrete measures and plans. The CC will strengthen its guidance of this work.

The People's Liberation Army of China is a great steel wall protecting the motherland, a most important force in the construction of the country, an army of high ideological consciousness, moral qualities, strict organisation and discipline; its moral influence on the entire multinational people is enormous. Our army should intensify intellectual and cultural education within its ranks and participate actively in the development of intellectual culture being carried out by the nation. In the spirit of the present Resolution and taking into account the army's specific features, the Military Council of the CC CPC will develop a concrete plan for implementing this work.

The Plenum calls upon all Party organisations and all Party members to study seriously and discuss this Resolution, to reach ideological unity, to intensify effectively the development of socialist intellectual culture, and to promote the great cause of creating both material and intellectual culture and comprehensive transformations.

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## INTERNATIONAL CONFERENCE MARKS SUN YATSEN'S 120TH BIRTHDAY

Moscow FAR EASTERN AFFAIRS in English No 2, 1987 pp 142-145

[Report by V.V. Arunov]

A scientific conference dedicated to the 120th birth anniversary of Sun Yatsen, a great Chinese revolutionary democrat and friend of the Soviet Union, was held in Moscow from October 13 to 14, 1986. Organised by the Institute of Far Eastern Studies, USSR Academy of Sciences, the Institute of Oriental Studies of the USSR Academy of Sciences and the All-Union Association of Sinologists, the Conference was attended by over 100 scholars and specialists representing diverse Sinology centres in the USSR. The participants also included a delegation of Chinese scientists consisting of Liu Danian, Director of the Institute of Modern History of the PRC Academy of Social Sciences and Deputy Chairman of the Sun Yatsen Studies Association; Li Kan, Chief Editor of the Zhonghua Shuju Publishing House and Executive Secretary of the Chinese History Association as well as Zhang Chunian, Director of the World History Institute of the PRC Academy of Social Sciences.

Present at the conference was Li Fenglin, Minister of the PRC Embassy in the USSR.

The participants heard a report titled "Sun Yatsen and the Soviet Union" by S. L. Tikhvinsky, Academician-Secretary of the History Department of the USSR Academy of Sciences. He noted that the prominent revolutionary democrat Sun Yatsen was a sincere and consistent friend of the Soviet Union whose interest in the Russian revolutionary movement began in 1896 and continued in Japan from 1905 to 1906. Sun Yatsen was strongly impressed by the experience of the 1917 October Socialist Revolution and the young Soviet state. In the summer of 1918 he sent a cable to Lenin congratulating him on the victory of the revolution. Sun Yatsen displayed a lively interest in the experience of the state, party, economic and military organisation of the Soviet country in his correspondence with G. V. Chicherin, RSFSR People's Commissar for Foreign Affairs, with A. A. Ioffe, Chief of the RSFSR second diplomatic mission, with L. M. Karakhan, head of the RSFSR third mission who later became USSR Ambassador to China.

The same interest characterised his personal meetings with Comintern representatives and also A. A. Ioffe. For a detailed study of this experience in the autumn of 1923 Sun Yatsen sent a special party and military delegation to Moscow; simultaneously he invited M. M. Borodin to Guangzhou as political adviser to the Guangzhou government, and also a group of Soviet military specialists to organise an officers' school.

From the experience of the Russian revolution, S. L. Tikhvinsky pointed out, Sun Yatsen drew a clear conclusion that nothing but an ideologically-educated party could successfully spearhead the efforts to end the feuding of the militarists, unite the country and do away with the semi-colonial dependence. At the First Congress of the Guomindang (1924) Sun Yatsen offered a new interpretation of the "three people's principles",

having given them a clear-cut anti-imperialist and anti-feudal character, and put forward three political planks: union with the USSR, cooperation with the CPC and reliance on the peasants and workers. He also urged an allround borrowing and use of the Soviet Union's experience. Till his last days Sun Yatsen waged a relentless struggle for a united, democratic and independent China. Sun Yatsen's behest before his death was for the Chinese people to keep an unbreakable friendship with the Soviet people.

A paper read by Doctor of Philosophical Sciences M. L. Titarenko, Director of the Institute of Far Eastern Studies, USSR Academy of Sciences, was devoted to Sun Yatsen's ideas of social progress. At critical stages in the development of human society, revolutionary forces and their ideologists inevitably face the question of the struggle's objectives, and the means of attaining them. At such periods there comes to the fore the idea of social progress, definition of its aims and motive forces. Sun Yatsen coped with such an idea, too. As M. L. Titarenko pointed out, it was precisely Sun Yatse's interpretation of social progress that graphically revealed the strong and weak points of his teaching; it is here that he came closer to understanding the dialectics and motive forces of social processes.

Sun Yatsen's concepts of social progress were strongly influenced by the ancient ideas of rotation in nature; unity of heaven, earth and man; the dialectical interaction of the *yin* and *yang* forces. A special role was played by Mo Di's social utopian concepts of "universal love" and the origin of power and state; the Confucian idea of the "great unity", *datong*; the legists' concept of law-abiding and the Buddhist idea of spiritual self-improvement. The theories of western enlighteners, particularly the American moral sociologist Henry George, strongly influenced Sun Yatsen's moral and humanistic approach to the understanding of the motive forces of social development. The ideas of moral example, as a stimulus of self-improvement of man and state, dominated Sun Yatsen's thinking up to the beginning of the 1920s, M. L. Titarenko pointed out.

The Great October Socialist Revolution strongly influenced ideology in China and all the trends of the liberation movement of the Chinese people. It was under the influence of the victorious revolution in Russia, said M. L. Titarenko, that Sun Yatsen substantially modified his concept of social progress in the 1920s; he made the idea of the "happy Chinese state" of the future and of the "revolution" more precise, his speeches and articles began to give priority to the questions of the goals and tasks of the Chinese revolution, of China's allies in the solution of the key problems of Chinese society.

In his last years Sun Yatsen came to understand the urgent objectives of China's revolution aimed at shedding the colonial and feudal fetters. He fully realised the necessity of a close union with the USSR and became a fervent advocate of Soviet-Chinese friendship. In the autumn of 1923 he stated in a cable to L. M. Karakhan: "The true interests of our countries demand that we elaborate a common policy which will make it possible for us to live in conditions of equality with other powers, and free ourselves from the political and economic slavery imposed by the international system which relies on force and acts by methods of economic imperialism."

In his paper entitled "The Time and People" Liu Danian, head of the Chinese delegation, pointed out that Lenin, the leader of the world proletariat, held Chinese revolutionaries in high esteem, especially Sun Yatsen who made a priceless contribution to the development of relations between the two countries. The Chinese people deeply honour the memory of their great compatriot. Liu Danian told the conference about the measures taken in China in connection with Sun Yatsen's 120th birth anniversary, as

well as the publication of his works and those dedicated to his life and activity.

Li Kan, a member of the Chinese delegation, read a paper entitled "Sun Yatsen and Traditional Confucianism". The scholar noted that for many years traditional Confucianism was considered the basis of Sun Yatsen's ideological views by various authors. However, comparison of his ideological doctrine with the tenets of traditional Confucianism reveals their being quite different. There are grounds to believe that, having critically absorbed certain elements of Confucianism, Sun Yatsen altered them in line with the tasks of building a new China.

The study of Sun Yatsen's life, activity and ideological heritage looms large in a number of works by Soviet and foreign authors. Analysis of the scale and main directions of research in this respect was presented at the conference by Candidate of Historical Sciences A. A. Volokhova and Doctor of Historical Sciences L. P. Delusin.

A. A. Volokhova noted that the activity, views and historical role of the great Chinese revolutionary democrat have been widely reflected in Soviet scientific literature. Considerable attention in the works on Sun Yatsen is devoted to the theme "Lenin and Sun Yatsen", presenting and analysing Lenin's assessments of the Chinese revolutionary democrat and Lenin's methodological approach to the problems of China. In the first half of the 1980s Soviet literature on Sun Yatsen was supplemented by a number of important works. These include S. L. Tikhvinsky's book *The Behest of the Chinese Revolutionary*, and such monographs as G. V. Yefimov's *Sun Yatsen. Search for the Way. 1914-1922*, V. N. Nikiforov's *First Chinese Revolutionaries*, G. D. Sukharchuk's *Socio-Political Views of China's Political Leaders of the First Half of the 1920s*, L. N. Borokh's *Social Thought in China and Socialism (the Early 20th Century)*. The works of recent years continued to explore the directions of research of the 1950s-1970s: the study of Sun Yatsen's ideas and political practice against the backdrop of China's history—the time and the contemporary international situation; the study of certain aspects of Sun Yatsen's programme and his work to put it in practice; analysis of his activity and views in the context of certain political phenomena and ideological trends of the late 19th and early 20th centuries. The published books and articles about Sun Yatsen shed more light on his contribution to the development of the revolutionary movement and social thought in China.

A. A. Volokhova pointed out that Soviet scholars have done much to show, from Marxist angle, Sun Yatsen's struggle for China's national liberation, the real significance of the great revolutionary democrat's behests and heritage. However, she believes that not all problems connected with Sun Yatsen's life and activity have been explored deeply enough. Questions of correlation between the traditional and the new in Sun Yatsen's ideology, his humanistic views need a further elucidation. A book is needed that would sum up the history of Sun Yatsen's ties with the Soviet Union as well as his complete political biography, with a detailed presentation and evaluation of his activity and views, the revolutionary democratism of his programme, which the great Lenin adjured us to carefully single out, safeguard and develop.

L. P. Delusin's paper noted the growing interest in Sun Yatsen's political and socio-economic views in the PRC after the 3rd Plenum of the CPC Central Committee (December 1978). The country is witnessing an increase in the scale of research and the number of monographs and articles on this subject. There have appeared more publications of Sun Yatsen's works. Noticeable is the striving of Chinese researchers to fully assess Sun Yatsen's activity and his "three people's principles" in the context of the development of China's socio-political thought and in the light of the tasks set by the country's modernisation programme. Stressing Sun

**Yatsen's progressive ideas on ways of overcoming China's backwardness, gaining full independence and creating prerequisites for economic development, Chinese sociologists at the same time note that he did not go beyond the limit of bourgeois-democratic views and was, in fact, a bourgeois revolutionary.**

It was noted in the paper that in modern Chinese historiography Sun Yatsen's "three people's principles" are, as a rule, analysed and assessed with due consideration to their evolution. Emphasised in this regard is the influence of the October Revolution, the May 4th Movement and the CPC's course of altering the socio-political contents of the "three people's principles", with a view to further revolutionise them. The majority of the works positively assess Sun Yatsen's role in the development of ties with the Soviet Union and the Comintern, and also in organising cooperation with the CPC.

Doctor of Historical Sciences M. F. Yuryev and Candidate of Historical Sciences Pantsov noted cooperation of Chinese Communists with Sun Yatsen and the creation of a united anti-imperialist front in China. They pointed out that the creation of a united front became possible because between 1921 and 1923 the views of Sun Yatsen and the Communists on the main questions of domestic and foreign policy became closer. On the one hand, Sun Yatsen, under the influence of the October Revolution, perceived ever more clearly the necessity of the masses' participation in the revolution and the vital importance of the union with Soviet Russia. On the other hand, the Chinese Communists, with the help of the Comintern, worked out a generally correct approach to the united front and, in particular, to cooperation with Sun Yatsen. The formation of a united front became an important prerequisite for developing the revolution further, first in Guangdong and later in the whole country.

The conference listened with great interest to reports by R. A. Mirovitskaya, K. V. Sheveliov, F. B. Beleyubsky, E. I. Chapkevich and A. N. Khokhlov on Sun Yatsen's contacts with pre-revolutionary Russia and later with the USSR. L. A. Berezny and L. N. Borokh dealt with different aspects of the ideological heritage of the revolutionary democrat while A. D. Dikaryov, E. A. Konovalov and A. A. Pisarev dwelt on questions connected with Sun Yatsen's views on economic development.

On the whole, the conference demonstrated our country's deep respect for the Chinese great revolutionary democrat and his theoretical heritage, the study of which takes pride of place in the work of Soviet orientalists. The participation of the Chinese delegation demonstrated once again the wide perspectives of cooperation between Soviet and Chinese scholars.

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## CONFERENCE ON SIGNIFICANCE OF CHINESE CP 8TH CONGRESS (1956)

Moscow PROBLEMY DALNEGO VOSTOKA in Russian No 1, Jan-Feb 87 (signed to press 12 Jan 87) pp 202-205

[Report by V.N. Usov, candidate of historical sciences, on conference on "The 8th CCP Congress and Its Significance in the History of the PRC" in Moscow on 24 September 1986]

[Text] On 24 September 1986 the Far East Institute of the USSR Academy of Sciences, the CPSU Central Committee Institute of Marxism-Leninism, the Oriental Studies Institute of the USSR Academy of Sciences, the International Workers Movement Institute of the USSR Academy of Sciences, the Soviet-Chinese Friendship Society, and the All-Union Association of Sinologists held a joint scientific conference on the 30th anniversary of the 8th CCP Congress.

The conference was called to order by Academician S.L. Tikhvinskiy, chairman of the Central Board of the Soviet-Chinese Friendship Society. He stressed that the 8th CCP Congress holds a prominent place in the history of the party, the history of the PRC, and in the process of the Chinese people's struggle for the socialist development of the country. The congress is important historically because it summarized the experience of past years and adopted a detailed program of political, economic, and cultural construction in the PRC with the aim of turning China into an advanced industrial and agricultural nation.

As S.L. Tikhvinskiy said, the political report of the CCP Central Committee to the 8th all-China party congress, presented by Liu Shaoqi, stressed that China "has joined the socialist camp, headed by the Soviet Union, which is fighting for lasting peace and the progress of humanity, and has established the relations of an inviolable friendship and cooperation with the great Soviet Union and the countries of popular democracy."<sup>1</sup> "We must continue strengthening our fraternal solidarity with communist and workers parties in all countries and we must continue studying the experience of the CPSU and the communist parties of fraternal countries in revolution and construction," the political report said. "We must resolutely combat all signs of the dangerous deviations of great-power chauvinism and bourgeois nationalism."<sup>2</sup> S.L. Tikhvinskiy concluded his speech by saying that the history of the Chinese revolution and socialist construction, in which the 8th CCP Congress was a major milestone, offers conclusive evidence of the importance of friendly relations between the Soviet Union and the PRC for the cause of peace and socialism.

The main report on "The 8th CCP Congress and Its Significance in the History of the PRC" was presented by Doctor of Philosophical Sciences and Director of the Far East Institute of the USSR Academy of Sciences M.L. Titarenko. The speaker stressed that the 8th congress was the first party congress after the triumph of the people's revolution, which put an end to the dominance of imperialism, feudalism, and comprador capital. Within the 7 years since 1949, social, economic, and cultural problems in the PRC had been solved. There had been a radical agrarian reform, the war-ravaged national economy had been restored, and the socialist reorganization of urban and rural areas had been essentially completed. The PRC and CCP had acquired strong international prestige. The CCP's contacts with the CPSU and other communist parties had been developed substantially. It was no coincidence that the congress was attended by representatives of more than 50 communist and workers parties, including a delegation from the CPSU.

After summarizing the results of socialist reforms in agriculture, cottage and capitalist industry, and trade, the congress concluded that "the main contradiction within the country is the contradiction between the people's need to build an advanced industrial nation and the underdeveloped state of national agriculture, as well as the contradiction between the rapidly rising economic and cultural needs of the people and the inability of the contemporary economy and culture to satisfy these needs."

The congress proclaimed socialist industrialization, the establishment of the necessary material base for the technical restructuring of the national economy and the elevation of the public standard of living, as the main goal of party and national economic policy. It set the massive and extremely difficult task of establishing a complete industrial system within approximately three 5-year periods. This system was to be capable of producing the most important machines, equipment, crude resources, and materials and of satisfying the needs of expanded reproduction in general. The speaker stressed that the development of the PRC economy presupposed extensive cooperation with all of the socialist countries, including the USSR, with whose assistance more than 200 large industrial enterprises and facilities had been built or were being built.

The party's economic policy was based on consistent and balanced development according to plan, with strict observance of the law of efficient and proportional development. The basic premises of CCP economic and cultural policy were clarified in the first 5-year plan (1953-1957) and in the proposals adopted at the congress with regard to the second 5-year plan (1958-1962).

The congress devoted considerable attention to questions of party construction under the new conditions. It instructed the party to resolutely combat all signs of dangerous petty bourgeois nationalist tendencies, violations of intraparty democracy, subjectivism, and bureaucratism. The subjectivist errors committed by the CCP were blamed on remaining petty bourgeois practices in the country and the inadequate Marxist-Leninist training of many communists. The documents of the 8th congress noted that these could easily become a "hotbed of subjectivism and dogmatism."

The speaker stressed that the congress focused attention on the development of intraparty democracy and, in this connection, warned against a cult of personality in the CCP, which, according to some speakers, "could not fail to be reflected to some extent in party and public affairs" in China. The congress stressed that the ideological and theoretical basis of the party was Marxism-Leninism, which "correctly explains the logic of social development and points out the correct ways of building socialism and communism." The congress reinforced and consistently developed the socialist line in PRC foreign policy. Stressing the importance of the principles of proletarian internationalism, the 8th CCP Congress appealed for a resolute struggle against all signs of dangerous deviations in the direction of great-power chauvinism and bourgeois nationalism.

The PRC's extensive cooperation with the Soviet Union and other socialist countries in the international arena, M.L. Titarenko said, and the development of trade and economic relations on the basis of equality and mutual advantage aided in socialist construction in China, the reinforcement of socialism's international position, and the birth and development of the world socialist system. At the 8th CCP Congress a general line of socialist construction corresponding to China's conditions was defined, and the policy of close cooperation with socialist countries was reinforced. Congress decisions reflected the realization of general socialist tendencies in the PRC.

The speaker concluded by stressing that Soviet people are watching with great interest as the Chinese people today work toward the important objectives set by the 12th CCP Congress. We are sincerely pleased by the successes of the Chinese people. The Soviet Union and the People's Republic of China have common views on several important international issues and are working toward the same goal. Both countries have pledged not to use nuclear weapons first, have opposed the militarization of space, and have advocated the reduction and complete elimination of nuclear weapons. This corroborates the conclusion that many aspects of international development depend on the USSR and the PRC--the two greatest socialist states.

Doctor of Historical Sciences G.D. Sukharchuk (IV [Oriental Studies Institute], USSR Academy of Sciences) presented a report on "The 8th CCP Congress and the Present Day." He noted that the 8th congress was held at a turning point in PRC history. The stage of socialist transformation had been essentially completed in the country, or, in other words, the objectives of the democratic revolution had been attained, and the outlines of a socialist revolution were taking shape. Economic planning was being practiced widely and was laying the basis for China's industrialization. It had been half a year since the time of the 20th CPSU Congress, which played an extremely important role in the international communist movement, especially in questions pertaining to the theory and practice of socialist construction in the USSR and the countries of popular democracy.

The attitude toward the problems discussed at the 20th CPSU Congress revealed the theoretical maturity and organizational strength of the socialist camp as a whole and of each ruling communist party. The speaker expressed the

opinion that the 8th CCP Congress took an internationalist position on these problems in general, and this did much to strengthen the CCP's prestige in the international communist movement and increase its influence in the socialist camp.

Warnings against such alien phenomena as nationalism and, in particular, great-Han chauvinism, subjectivism, petty bourgeois haste, and the tendency to institute reforms too quickly, G.D. Sukharchuk noted, were voiced in general terms in congress documents and in congress speeches by prominent leaders of the CCP and the Chinese revolution.

When we discuss the 8th CCP Congress and the fundamental changes we are witnessing in the party and the country, it is important to take note of the fact, the speaker said, that people in the PRC are now blaming the errors of the not so distant past directly on deviations from the decisions of the 8th CCP Congress. Finally, it is important to note that by reaffirming the accuracy of the policy line of the 8th congress, Chinese theorists are actually pointing out the connection between the main policies of the first 5-year plan and the policy line of the present day. Of course, this does not mean that all of the specific aims and methods, particularly those of socio-economic work, have been carried over directly to the present day, but the general principle--the development of productive forces within the framework of a stronger socialist order and a balance between productive forces and production relations as an essential prerequisite for healthy and successful advancement--is indisputable.

Doctor of Juridical Sciences L.M. Gudoshnikov (IDV [Far East Institute], USSR Academy of Sciences) examined questions of law and legality in the documents of the 8th CCP Congress and their reflection in current PRC practices. The speaker said that by the time the 8th party congress was convened, legislation in the PRC was already being brought in line with the constitution adopted in 1954. In general, however, this legislative work was conducted too slowly in the country, and most of the "provisional laws of a policy planning nature," passed in the first years after the formation of the PRC, were still in effect. This is why congress documents stipulated the need for the systematic review of laws and the reinforcement of the legal system in the PRC. The political report said that "a better legal system is becoming absolutely essential. In the interest of a normal life and productive activity in the society, each person in our country must realize and be certain that if he does not violate the laws, his civil rights will be protected and will not be restricted by any institution or individual: If his rights are infringed upon unlawfully by someone, the state will certainly intervene."

Unfortunately, L.M. Gudoshnikov said, development according to the patterns set at the 8th CCP Congress was suspended for many years soon after its conclusion, and the views and practices of legal nihilism were widespread. It was not until the end of the 1970's that law and legality were discussed again in the PRC. Legislative activity in the country began entering a normal channel after the Third Plenum of the 11th CCP Central Committee (December 1978). In general, the speaker concluded, the perceptible increase in legislative activity and efforts to reinforce the legal system in the PRC at the

end of the 1970's was an indisputable advance in comparison with the unprecedented arbitrary practices and legal nihilism of the "Cultural Revolution" and therefore can, in this sense, be viewed as a return to the ideals of the 8th CCP Congress in the sphere of law and legality.

Doctor of Historical Sciences A.I. Kartunova (CPSU Central Committee Institute of Marxism-Leninism) presented a report on "The 8th CCP Congress and Its Place in Party History." She said that the 8th CCP Congress occupies a special place in the history of the party and the Chinese people, and not only because it was the first congress after the triumph of the revolution in China--and in this respect it could be called a congress of victors--but also because fundamental questions of PRC development were raised and answered at the congress.

The declaration of the PRC (in October 1949) essentially marked the end of the stage of bourgeois democratic revolution and began the period of transition to socialism in the development of Chinese society. Therefore, the policy aim of the First CCP Congress (in 1921) of a socialist revolution in China began to be implemented successfully in October 1949. The 8th congress reaffirmed the general party line in the transition period. The political report of the CCP Central Committee to the congress said that deviation from this line would "lead unavoidably to rightist or 'leftist' errors." This statement was based on the party's experience in pursuing the general line and was meant as a warning for the future. The effects of deviation from the general line were most clearly revealed during the period of the "Great Leap Forward." In essence, the line of the "leap" was nothing other than an attempt to bypass the transition period and its natural stages and to enter communism in "one fine morning."

The 8th CCP Congress proclaimed its firm adherence to the five principles of peaceful coexistence in international relations. Therefore, A.I. Kartunova concluded, this was an internationalist policy, aimed primarily at strengthening and intensifying relations with socialist countries, supporting the struggle of people for peace, and maintaining friendly contacts with people in all countries. Not one of the subsequent CCP congresses reaffirmed the foreign policy line defined and approved by the 8th congress in its entirety.

The 8th CCP Congress is invariably assessed in a positive light in Soviet historical works, the speaker stressed, and its historical importance is underscored. This scientific conference on the 30th anniversary of the congress is proof of this.

In their reports at the conference, Doctor of Historical Sciences A.V. Meliksetov (MGIMO [Moscow State Institute of International Relations]), Doctor of Economic Sciences Ye.A. Konovalov (IDV), Doctor of Historical Sciences V.G. Gelbras (IMRD [International Workers Movement Institute]), and Candidate of Economic Sciences L.A. Volkova (IDV) discussed problems in the socioeconomic construction of China and the discussion of these problems at the 8th CCP Congress. In his analysis of the socioeconomic strategy of the CCP, A.V. Meliksetov noted the tremendous impact of the decisions of the 20th CPSU Congress on the entire international communist movement, including

the situation in the CCP, where the problem of surmounting the oppressive influence of the cult of personality was more urgent than at any other time, but was also exceptionally complex.

Candidate of Economic Sciences V.Ya. Sidikhmenov (IDV) discussed a matter analyzed at the 8th congress--the main socioeconomic contradiction in Chinese society--and described the debates in the PRC at that time in detail.

Candidate of Philological Sciences A.A. Moskalev (IDV) analyzed the discussion of the issue of nationality at the 8th CCP Congress. The 8th CCP Congress must be given credit, he said, for pointing out serious shortcomings and omissions in this area. The statements about the need to combat great-power chauvinism were of the greatest significance.

Candidate of Historical Sciences V.N. Usov (IDV) remarked in his report on "The 8th CCP Congress as Viewed by Contemporary Chinese Historians" that the fate of the decisions of the 8th CCP Congress and subsequent assessments of its significance were complex and contradictory in the PRC--from the departure from the line of the 8th congress and the open and camouflaged criticism of its decisions during the period of "Cultural Revolution" to the acknowledgement of its historical importance and its contribution to the planning of socialist construction in the PRC.

Candidate of Philological Sciences S.D. Markova (IDV) reported on "The 'Let One Hundred Flowers Bloom' Campaign and the 8th CCP Congress." She discussed the inception of the slogan "Let one hundred flowers bloom, let one hundred schools of thought contend" and its interpretations in detail. This slogan was discussed, in the form of a cultural policy line, at the 8th congress. The congress resolutions condemned "coercion and authoritarianism in science and art by means of administrative measures" as "errors" distorting the slogan "Let one hundred flowers bloom."

Candidate of Historical Sciences A.A. Volokhova (Diplomatic Academy of the USSR Ministry of Foreign Affairs) reported on "The Foreign Policy Program of the 8th CCP Congress." She noted that the continuation and reinforcement of friendship and cooperation with the USSR and other socialist countries were listed first among the foreign policy aims and objectives of the PRC in all congress documents. They were called "the principal international duty and basis of the foreign policy" of China.

Candidate of Economic Sciences A.V. Ostrovskiy (IDV) presented a report on "The 8th CCP Congress on the Chinese Working Class and Current Trends in Its Development." His report was amplified by O.B. Gorodovikova (IDV), who discussed the statements about trade union construction in congress documents and some current trends in the union movement in China. T.M. Yemelyanova (IDV) described the aims of work with women in China and the discussion of this matter at the 8th CCP Congress, and T.I. Illarionova (IDV) analyzed the documents of the 8th congress and their significance in the youth movement in China, especially the Third Congress of the Chinese Komsomol in 1957.

Yu.M. Paremskiy, who served as Luo Ruiqing's adviser and helped China organize its border service, related his memories of the 8th congress, which he attended.

FOOTNOTES

1. "Materials of the 8th All-China CCP Congress," Beijing, 1956, p 14.
2. Ibid., p 111.

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## TOWARD PEACE, SECURITY IN FAR EAST

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From 18th to 20th November, 1986, in Moscow, a scientific conference "International Relations and Urgent Problems of Peace and Security in the Far East" was held at the Institute of Far Eastern Studies attached to the USSR Academy of Sciences. The conference was attended by scholars and employees from active organisations in Bulgaria, Hungary, Vietnam, German Democratic Republic, Mongolia, Cuba, Poland and Czechoslovakia; representatives of a number of Soviet institutes under the USSR Academy of Sciences and delegates from research centres of Leningrad, Kiev, Vladivostok, Khabarovsk, Tashkent, Dushanbe, and Alma Ata.

Deputy Chief of the International Department, CPSU Central Committee I. I. Kovalenko and USSR Deputy Minister of Foreign Affairs M. S. Kapitsa took part in the opening ceremony. Noting the tremendous scientific and practical importance of studies by scholars of socialist countries for promoting peace and security in the Far East, I. I. Kovalenko stressed that the Soviet Union consistently works for relaxation of tensions, as well as for peace, security and improvement of the general situation in Asia and the Pacific. In his Vladivostok speech, noted I. I. Kovalenko, Mikhail Gorbachev advanced a whole package of ideas and initiatives aimed at solving the most pressing problems that have a bearing on the interests of states in Asia and the Pacific.

M. S. Kapitsa emphasised that given all the complexity and deep-rooted nature of conflicts in that region, US military activities are the key factor destabilising the situation there. Washington is persistently intensifying its military preparations in Asia and the Pacific, deploying there increasing amounts of weapons, both conventional and nuclear; it invigorates military and political contacts with several Asian countries. The actions of the United States are designed to complicate and deepen the existing problems and conflicts in the area, to prevent them from being tackled by peaceful, political and diplomatic means.

A report entitled "The Soviet Peace Strategy and the Asian-Pacific Region" was delivered by Director of the Institute of Far Eastern Studies under the USSR Academy of Sciences, Dr. Sc. (Philos.) M. L. Titarenko. The speaker emphasised that the Asian-Pacific region occupies an important place in multi-faceted efforts made by the Soviet Union and the CPSU to improve the international situation. At the 27th CPSU Congress special attention was drawn to the region's growing significance in the context of world politics, and the need to intensify efforts in the interests of a political settlement of urgent, painful problems so as to reduce the military confrontation and stabilise the situation in various regions of Asia.

The assessments made at the Congress were further elaborated and concretised in Mikhail Gorbachev's Vladivostok speech. He put forward a large-scale, comprehensive programme intended to create in Asia and the Pacific a stable system of international security as a reliable foundation for peaceful intercourse and cooperation among nations and governments, thus imparting a powerful impetus to the search for ways of turning this region into a zone of peace and goodneighbourliness.

The Soviet approach to the region's problems, the speaker said, is realistic and takes into account those difficulties generated by an intricate knot of political, economic, military-strategic, religious and other contradictions. At the same time, Soviet realistic approach is tightly linked with businesslike optimism and confidence in the possibility of solving the existing problems—despite all the complexity and contradictoriness of the situation in the region—provided all the parties concerned display goodwill and objectivity.

For easy analysis the Soviet Union's broad platform of peace, security and cooperation as regards Asia and the Pacific can be divided into two major sets of ideas. The first comprises general principles underlying relations among states in the region and approaches to the settlement of the existing contradictions. When dealing with them account was taken, among other things, of constructive ideas and initiatives put forward by different Asian states: the Pancha Shila principles; the ten Bandung principles; the experience and peace initiatives of the region's socialist countries such as Mongolia, the DPRK, Vietnam, Laos and Kampuchea, as well as those of China and ASEAN countries. They also reflect recommendations documented in the UN resolutions concerning Asia, and other materials.

The second set of ideas includes a variety of measures and practical steps at regional, sub-regional and bilateral levels which, provided they are taken jointly, could gradually improve the region's political climate, and bring about a decisive turn for deepening confidence and developing mutually beneficial multilateral cooperation.

Ideas and initiatives proposed by the Soviet Union, stressed M. L. Tarenko, are in line with the vital efforts toward finding solutions to the pressing issues existing in Asia and the Pacific. The concept elaborated at Vladivostok is the first to unify the rich, diverse and extremely complicated experience of Asian countries in settling their relations; it enriches this experience by adding to it achievements in European political practice and gears it toward the quest for ways to coordinate the common interests so as to ensure general security in the Asian Pacific region, as well as mutually-beneficial cooperation and progress. This concept is becoming the keynote which could unite the diverse ways of reaching compromise solutions and settling the existing problems before the end of the 20th century.

The conference discussed general problems pertaining to the international and political situation in Asia and the Pacific. There were detailed discussions of such problems as peace and security in the region, its role in the US global strategy; ways of relaxing tension in the region; Vietnam's contribution to peace and security in Asia; interdependence between European and Asian security, imperialist policies aimed at setting up aggressive blocs in this region, and so on. A series of speeches focussed on the problems of, and chances for, international (above all economic) cooperation in Asia and the Pacific.

Debates also focussed on China's foreign policy, vis-à-vis the states in the Asian Pacific region among other things. Reports dealing with the following topics were presented for discussion: improvement of Soviet-Chinese relations as a factor shaping international and political situation in Asia and the Pacific; China's role and place in ensuring peace and security in Southeast Asia; China's stand on questions of war, peace and disarmament; China's assessment of the situation in Asia and approach to the problem of security in the area; the rise of PRC's role in the system of international relations in the Far East; Chinese stand on peace and security in the Far East; Sino-US relations and their connection with the problem of peace and security in Asia and the Pacific; the influence of Sino-Indian relations on peace and security in Asia and the Pacific.

Another set of ideas centred around the Japanese ruling circles' approach to peace and security in the region and described US-Japanese alliance as well as international and political consequences of Japan's militarisation. The conferees' attention was drawn to ideological struggles in Japan on issues of war and peace, the mounting nationalism at the present stage of development, and the fight of Japan's democratic forces for peace and security in Asia and the Pacific.

During the discussion of the situation on the Korean Peninsula, the speakers dwelled on its place within the system of international relations in the Far East, particularly stressing the need to ensure peace and security in this region.

The explosive situation in Southeast Asia was another topic for discussion. In their reports the participants analysed ways of normalising the situation in the region as well as the developing nations' stand on peace and security. One report was dedicated to settling the problems pertaining to Indochina. The development of economic integration of Indochinese countries and their cooperation with the USSR was also on the agenda.

The conference discussed the role and place of the anti-war movement and the non-alignment movement in ensuring peace and security in Asia and the Pacific.

During the conference it was stressed that the strengthening of cooperation and solidarity among the socialist countries and their successes in socialist construction, contribute tangibly to the relaxation of tension and are an important factor for stabilising peace and security in Asia and the Pacific.

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